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American Achievement in Aviation

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The Secretary of the Navy of the United States

THE Army and the Navy of the United States believe that America has developed the best types of planes and the best engines now in use in aviation. No measure of success or failure can be had until we fully realize what the goal has been.

The Navy's task in the World War was to build, man and operate large numbers of patrol type airplanes, twin engine flying boats, and to do its own training. This the Navy did with marked success, but at the close of the war it found itself with the equipment for but one of its many necessary aviation activities and with personnel badly depleted by demobilization. The Navy believed that its aviation should not be confined to patrol types as it was during the war, but that it must be prepared to go to sea with the fleet.

As a first step, it began replacing its aviation personnel, and organized its flying boats into fleet detachments, which, based on aircraft tenders, were sent on long cruises with the fleet and still continue to operate thus in a highly satisfactory manner. Our information leads us

to believe that no other nation is superior in mobile squadrons of this type which have cruised at great distances over the sea and performed their duties with the fleet.

In building up its aviation material the first move was the organization of the Bureau of Aeronautics which was designed to concentrate aeronautical development in one responsible agency. The second step was to determine the types of aircraft required by the Navy and the performances which they should attain. In 1922 the General Board of the Navy, as a result of extended hearings in which they secured the opinion of the best experts and the result of their war experience, outlined a policy for that development which was approved by the Secretary of the Navy, and has since been substantially followed. This policy involved the designing and building of speedy fighting planes, observation planes, bombing, scouting and torpedo planes (that is, planes carrying torpedoes similar to those used by destroyers and submarines instead of bombs), patrol planes and training planes. With the ex-

ception of patrol and training planes none of these types was then available or developed.

The Navy's policy was based on the conception that there were two major activities for aviation with the fleet. The first of these may be called "Air Service" and embodies those activities which are auxiliary to the fleet. Thus the observation planes were designed to observe the fall of the shells from our own guns primarily for control of our gun fire. The scouting planes were designed primarily for reconnaissance and offensive and defensive patrol. The second conception is that of "Air Force," and by this is meant a component part of the fleet capable of conducting offensive missions; in this category are included bombing, torpedo and fighting planes. It will therefore be understood that the two are complementary; the "Service" is dependent on the "Force" for aid in getting through and accomplishing its mission.

The aircraft designed for "Air Service" are shipboard airplanes based on combatant ships and discharged by catapults or lowered overboard to take off from the water. The airplanes designed for "Air Force" are likewise shipboard airplanes, but designed for use on aircraft carriers where more space is available and heavier types of aircraft can be used.

LIGHTER-THAN-AIR SHIPS

The foregoing refers primarily to heavier-than-air craft, but since lighter-than-air craft offered important possibilities in long range overseas scouting this branch of aviation was also undertaken. Kite balloons which were used during the war by our convoying ships were found to be impracticable and abandoned. The non-rigid dirigible was also abandoned by the Navy as of little use, and, as the rigid type of aircraft was assigned by the Joint Board of the Army and Navy to the Navy for development, the Navy built the Shenandoah, purchased the ZR-2 from the British, and was assigned the Los Angeles. The ZR-2 was lost with most of her crew of British airmen and a part of our own crew, to whom she was to be delivered, while on a trial trip preliminary to her delivery. This was caused by her breaking

in two over the Humber followed by the explosion of her hydrogen gas. The Shenandoah was lost on a recent trip across Ohio (although filled with helium, a non-explosive gas), because her structure gave way in a storm. The Los Angeles remains for experimental work. She is a ship a little shorter but of slightly greater diameter than the Shenandoah. Preliminary plans for a ship of more than twice the gas capacity (6,000,000 cubic feet) have been prepared, and plans for an entirely new type of rigid airship have been proposed to the department, wherein the skin of the ship is of duralumin, although this design is confessedly for an experimental ship with little more capacity than one of the twenty gas cells of the Shenandoah. Even if the rigid type of dirigible is a complete success in peace-time performance, its military value is still problematical, although it has probable value as a scout, anti-submarine patrol, and coastal patrol. The cruises of the Shenandoah and of the Los Angeles were undertaken primarily to determine the degree of reliability of such ships, the usefulness of the Shenandoah as a naval scout, and to train their crews in the operation of the ships.

PLANES FOR THE CARRIERS

Owing to the limitations of space available on combatant ships, the aircraft intended for air service on such ships had to be designed and built especially for that service. Aircraft also had to be developed for the airplane carriers. Since we had no carriers it became necessary to build an experimental carrier and on the basis of the information gained build and equip the later carriers. With this policy firmly established the Navy Department immediately converted the collier Langley into an experimental carrier and undertook this difficult problem and has since pushed it with vigor.

Inasmuch as funds available were limited by the necessity for reasonable economy, it became necessary for the department to lay down a definite policy for aviation expenditures. As a result of expenditures made during the war and the development of the Liberty motor by this country, the United States Government had on hand at the close of the war and still

has a large number of Liberty motors. These motors were the best aircraft engines developed up to that time and were used by our allies as well as by ourselves during the last months of the World War and have been used ever since. Indeed, the notable contribution of America to aviation during the World War was the design and manufacture of Liberty motors which we produced in quantity. If we had desired at the close of the war, or at any time since, to complete a large number of planes for the Army and Navy of the types already developed it would have been comparatively inexpensive to take the Liberty motors on hand and utilize them in such planes.

If it becomes suddenly necessary to build a large number of planes, before our aviation problem is fully developed, we can build planes around our Liberty motors now on hand and probably compete fairly well in quality and quantity with other powers, for no nation is ever wholly equipped with the latest and best of any type of military equipment—whether engines, planes, guns or ships. In so far as the Navy is concerned, however, such planes are not the best suited to the Navy's particular needs. Even if we had adopted at the close of the war the expedient of building a large number of planes, either by utilizing the motors and designs already on hand or by quantity production of new types of planes, these planes, if used, would have been nearly expended by this time because the average life of a plane is only three years. If they had been built, but not actually used, they would already have undergone serious deterioration in storage and would become continually more and more unfitted for use. Had we spent large sums on the manufacture or purchase of such aircraft already obsolete we should have been subject to just criticism for extravagance. Instead, we have endeavored to build just enough air-

craft of latest approved design to meet the ever-increasing requirements of the fleet for actual practice and training and for our training stations ashore, and have expended our other aviation funds in developing improved and refined types which can be standardized for quantity production in case of emergency.

In the process of development of any new agency practical limitations result

from the process of development. For instance, the gauge of a railway track, once a matter of mere caprice or individual judgment, is now standardized so that in the further progress of railroad-ing the width of railway cars and locomotives is fixed. Tunnels have limited the height of locomotives and cars, and bridge construction has limited their weight, so that in future development the maximum weight, width and height of cars are determined, and the maximum length of cars is also fixed by the curves of double-track railways and by the general under-

standing of railway engineers. So with aircraft, the building of great aircraft carriers in a measure determines the trend of the development of the aircraft carried by them—their wing spread, for instance.

NEW TYPE OF PLANE

In view of the necessity for economizing space on board aircraft carriers as well as for economizing funds, it was determined that a new type of plane should be developed for such carriers which would combine the qualities of the scouting plane, the torpedo plane and the bombing plane. This three-in-one or three-service plane was an altogether new type of plane proposed by our General Board of the Navy in 1922, and required large expenditures of money for its development. It required, among other things, a new type of engine of high power and light weight, because the tor-



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pedo after years of development was already standardized, and the minimum weight of such a torpedo was 1,600 pounds. The three-service plane had therefore to be built around the existing torpedoes so as to carry such torpedoes as far and fast as possible.

In the development of the new plane the engineering ability of the Bureau of Aeronautics and of the manufacturers was utilized in cooperation in an attempt to secure this new result. This plane must be able to carry a torpedo. The desired qualities were that it should carry a torpedo weighing a ton (or preferably one of 3,000 pounds weight), or a bomb or bombs of equivalent weight; also that it could, by leaving off the torpedo or bomb, substitute gasoline tanks, adding a ton or more to the weight of gasoline carried, and thus to give it a radius of action of two thousand miles—a thousand miles out and a thousand miles back. Some of the best brains of the country in aviation engineering have been exercised in the development of this plane.

We have not yet reached the goal sought. The largest torpedo we have been able so far to carry is the minimum one weighing about sixteen hundred pounds. Of course, a bomb of corresponding size can be substituted. The range of action for such a plane when substituting weight of gasoline for weight of bombs or torpedo is one thousand miles instead of the two thousand desired. No doubt there will be continued steady improvement in this performance, but so far this is the best that has been done here or abroad.

The task assigned to the torpedo plane is a most difficult one. It must carry a torpedo similar to that used by submarines and destroyers and drop it in the water in such fashion that its delicate propulsive machinery will not be injured. The torpedo, it should be remembered, is like a small submarine with a power plant operated by compressed air, adjusted to a given and predetermined depth of submersion and continually directed toward the target after its discharge by a gyroscopic control. Torpedo mechanism had to be specially constructed and placed in the torpedoes designed for use by aircraft, for the pur-

pose of withstanding the effect of the drop in the water when discharged from the airplane. Even then such a torpedo cannot be launched at a great height above water, nor is it possible to launch the torpedo closer than ten feet to the water, otherwise the splash when the torpedo strikes the water is likely to wreck the plane. The skill of the aviator must be such that he can correctly judge distances, take into account the height of the waves and launch his torpedo at the proper height while the torpedo is directed toward the target. We are not content to rest with a plane which can carry a 1,600-pound torpedo, for we have already developed and have on hand torpedoes weighing much more and giving much better performance.

It is difficult for a layman to appreciate the difference between a plane which can carry a 3,000-pound or a 2,000-pound torpedo and one which can carry a 1,600-pound torpedo. Suffice it to say that with the 1,600-pound torpedo it would be necessary for the torpedo plane in launching this torpedo to approach so near the target and so near the water that the destruction of the plane by the ship's guns would be likely. The plane would have to discharge its torpedo at a distance of between 4,000 and 5,000 yards. At that range in clear weather the plane would be under attack by all types of guns of the ship, not only anti-aircraft guns, but turret and torpedo defense battery as well. It would not be necessary to hit the torpedo plane, for if the projectiles fell in front of the torpedo plane, the great columns of water sent up a hundred or more feet high would form an obstacle in the path of the plane which might wreck it.

GREATER TORPEDO POSSIBILITIES

On the other hand, if the torpedo plane can carry a torpedo weighing a ton, it can be launched at twice the distance—say from 6,000 to 8,000 yards from the target, and if it can carry a 3,000-pound torpedo, it can be launched at a distance of about three times as great, because of the greater range of the torpedo. The chance that the plane will be hit by the guns of the ship is tremendously lessened by the increased distance.

It is also true that while the chance of

the torpedo hitting a given ship is decreased by the increased range, the damage done by the larger charge of explosive carried by the larger type of torpedo increases the damage due to a hit.

We feel justified in attempting so to develop our torpedo plane that it will carry our biggest and best torpedo, and this we are doing.

It will be observed that the development of this type of plane bears intimate relation to the development of the torpedo itself. Constant experiments are being made by the Bureau of Ordnance to increase the speed and range of torpedoes. As this speed and range is increased it will increase the availability of the torpedo plane. If this involves added weight, then the plane must be improved to carry the weight. The plane cannot be standardized until the torpedo has reached the limit of its development in weight.

In connection with the development of this plane, its weight-carrying capacity and its range of action as a scouting plane launched from the deck of a carrier depend not only upon the load of gasoline it can carry but upon the efficiency of the engine; that is to say, upon the weight of the engine per horse power. Consequently, the development of the engine for this plane as well as for all others is of the utmost importance. Every pound that can be taken off the engine or saved through efficiency can be utilized in the torpedo, in the bomb or in the supply of gasoline carried. We have made great advances since the war in the development of engines for this type of plane and a large number of them are now in use.

Without further elaborating upon the work that has been done upon these three-purpose planes, it will be observed that the Navy Department has attempted to develop a plane peculiarly its own, a type unused and undeveloped by any other power, especially adapted for the needs of the Navy.

PATROL PLANES

The large flying boats for patrol work are extremely costly. We can build two of the three-purpose type for about the cost of one of the patrol type. As a measure of economy, therefore, we are now using the three-purpose plane for a fourth

purpose of patrol, but are continuing the development of the patrol types in small quantities so that they may be ready when needed. The PN-9's used in the Hawaiian flight are examples of this development.

THE HAWAIIAN FLIGHT

The Hawaiian flight was for the purpose of testing the patrol plane or flying boat. It was not undertaken by the Navy Department without adequate preparation, but it represented the consummation of efforts which began in 1917 to produce a plane that would cross the Atlantic Ocean when the problem confronting the American Nation was the transportation of planes to France for use in the war for coastal patrol and anti-submarine scouting. It was clear that with the limited amount of shipping available for transportation it would be impossible to carry to France any large number of planes, as it was necessary to use one ship to transport only eighteen planes. It was believed that planes could be designed which would be able to fly across the Atlantic, stopping at the Azores. With this in mind the Navy Department began the development of this entirely new type of flying boat. This development, although begun in 1916, was not completed until after the war was over. The NC plane was the result. This plane made the flight in 1919 from Newfoundland to the Azores, thence to Portugal, thence to France and to Plymouth, England, the first transatlantic flight of a sea-plane.

The difficulties involved in such development are manifest not only by the fact that it took nearly four years to produce the NC planes, but that of the three planes which started only one succeeded in the effort. One of the planes landed some fifty or sixty miles from the Azores and was not found by the searching ships, but taxied in to the island. Another landed and was rescued by a merchant ship. The longest leg of this flight was 1,340 miles.

With the ability of this class of plane to fly 1,340 miles, it was possible for it to span the Atlantic Ocean, but such a plane with only that radius could not span the Pacific Ocean. It was necessary to have planes which could fly from the Pacific Coast to the Hawaiian Islands in order to

secure a plane which could cross the Pacific Ocean; that is, it must have a range of about 700 miles more than the NC boats were required to make in their transatlantic flight. After five years more of development of this type of plane, the Navy Department built at its aircraft factory at the Philadelphia Navy Yard the PN-9 boats which essayed the Hawaiian flight. So satisfactory was the result of an endurance test of these boats of twenty-eight hours and thirty-five minutes that it was indicated that they would be able to reach the Hawaiian Islands. Accordingly it was arranged that the PN-9 boats 1 and 3 should attempt the flight to the Hawaiian Islands, accompanied by the flying boat built by Boeing of Seattle, called the PB plane. The latter plane represented the best effort, it is believed, that has been put forth on the problem of a flying boat which would reach the Hawaiian Islands from the Pacific Coast, and was estimated to have a range of 2,800 miles, that is, over twice the range of the NC boats of 1919.

THE PN-9 FLYING BOAT

A brief comparison of the NC flying boat, begun in 1917, and the PN-9 flying boat completed in 1925 will indicate some of the steps in the development of this type of plane. The hull of the PN-9 flying boat was of duralumin riveted together instead of wood. The principal reason for this change is the fact that duralumin does not absorb water, whereas a wooden hull when in the water for a considerable period of time absorbs nearly half a ton of water which, of course, correspondingly diminishes the capacity to carry gasoline. The increased weight of water meant that 1,000 pounds less of gasoline could be carried. The power plant of the NC boat consisted of four Liberty motors, each of 400 horsepower, a total of 1,600 horsepower, while the power plant of the PN-9 boat consisted of two Packard motors weighing less than two Liberty motors and having a combined horse power of 1,100, nearly equal to three Liberty motors. It was believed that the metal hull of the PN-9 flying boats would be more durable than the wooden hull of the NC boats, but it was not fully appreciated, until after the 450-mile voyage of Commander Rodgers and his crew in this

plane after it landed in the Pacific, that the duralumin hull was so much more durable than the laminated wooden hull had proved to be in previous flights.

The Boeing plane (PB-1), which was to have taken part in this flight, weighed 26,500 pounds, as against 28,500 pounds for the NC flying boat and 19,500 pounds for the PN-9 boats. The PB-1 has two Packard engines with a total horse power of 1,600 (the NC had four Liberties with the same total power) and the two Packards weigh 2,600 pounds as against 3,600 pounds for the four Liberties. This saving of 1,000 pounds for the same horse power output is a measure of engine development of the last few years.

Another advantage possessed by the Boeing plane is the fact that the two engines are mounted tandem, so that the plane can be flown with one engine after its weight has been reduced by the consumption of a portion of the full load of gasoline. By using one engine alone not only is the gasoline consumption decreased, but the chances of reaching the objective are greatly increased. The Boeing plane, because of difficulty with the engine foundation, was not able to start on the flight to the Hawaiian Islands, although it had been built and prepared for that purpose. The use of this high-powered engine with reduction gears introduces some new problems in engine foundation design which can no doubt be solved. Fortunately, it was determined to delay the flight of the Boeing plane a couple of days on account of this trouble with the engine foundations, and then, owing to the uncertainty as to the fate of the PN-9-1, containing Rodgers and his crew, it was deemed wise to call off the flight of the Boeing plane until Rodgers had been found. Whatever lessons had been learned by his experimental flight could be analyzed and applied to the future flight of the Boeing plane.

The subsequent trial flight of the Boeing plane and her return flight to the factory developed further difficulties in the engine mounting which have not yet been fully met, but it is confidently expected that all these difficulties will be overcome and that eventually the Boeing plane will make the Hawaiian flight. As an indication of the development of these planes in five years

it may be stated that the interval between the surface ships stationed along the line of flight in the Hawaiian flight was 200 miles, while in the transatlantic flight in 1919 it was fifty miles. This increased interval, four times as great, represented the judgment of those in charge as to the progress of the development of this type of plane and of its equipment.

ROUND-THE-WORLD FLYING

The importance of this flight to Hawaii has perhaps not been fully appreciated by the general public. If a flying boat can be developed that can fly from the Pacific Coast to the Hawaiian Islands, that plane can fly around the world without crossing the Arctic Circle. The distance between the Coast and the Hawaiian Islands is longer than any other water interval in the transpacific flight, and is the longest hop necessary in such a round-the-world flight. Such planes can take advantage of the fine weather conditions of tropical or semi-tropical areas without being subjected to the extreme hazards of the shorter northern route of the round-the-world fliers. In short, if such a plane can be developed with sufficient reliability, the plane can fly under her own power to any point in the world accessible by water if she can be supplied with fuel at her landing places.

As an indication of engine reliability, upon which all aviation depends, it may be pointed out that the same engines which were used in the record flight of 28 hours 35 minutes by the PN-9-1 at Philadelphia were also used for Commander Rodgers's flight of 25 hours 23 minutes, and that on both occasions the power plants were reported to have functioned perfectly during the entire trip. However, these engines, after being used on the record flight at Philadelphia, were sent back to the factory and completely overhauled before the Hawaiian flight. The valves were replaced by silichrome valves, jet size, and the spark advance was changed.

The Hawaiian flight demonstrates the desirability of actual experimentation in any development. The flight was significant because it was the longest distance of oversea flying ever covered by a plane without stop, and yet the subsequent voyage of the plane for 450 miles was of even

greater significance. The fact that the plane was able to endure for so long a period in comparatively rough water and in the rough weather which was encountered demonstrates that the crew of such a seaplane, if properly provisioned, has comparatively little to fear from a forced landing in reasonably moderate weather. Efforts will no doubt be made to further strengthen the hull and to equip it with sails and keel for such a predicament. Rodgers, by extemporizing a sail from the fabric cut from the lower wing, was able to make a speed before the wind of 2 to 3½ knots in the water toward his goal. It was impossible, however, to steer the plane in any course other than the one direct before the wind until Lieutenant Connell conceived the idea of making a keel for the plane by lashing three large duralumin floor boards along the hull. This gave approximately 20 square feet of keel surface and enabled the course of the plane to be diverted 15 degrees from the direct line of the wind. With this increased power to manoeuvre, it was confidently expected that the last island of the group, Kauai, could be reached. This flight has demonstrated the possibility of flying a fleet of these boats from the Pacific Coast to within 400 or 500 miles of Honolulu, there to land to refuel if necessary. After refueling they could fly across the Pacific without landing at sea, landing first at the Hawaiian Islands, then at Midway Island or Wake Island, then at Guam and then at the Philippine Islands or elsewhere.

Recent developments since the flight indicate that improvements to the Packard A1-1,500 engines (type carried by PN-9-1) will enable planes of the PN-9 type to make the flight to Hawaii without landing. This consists of improvement in valve design, using a higher impression ratio and doped fuel in the engine, higher speeds, improvement of propeller design and using a metal propeller, which enables the proper pitch to be set.

The problem of landing at sea, refueling, and taking off is possible and practicable, but conditions of sea must be favorable; that is, there must be no high seas. The sea in the vicinity of the Hawaiian Islands, during the trade wind seasons, is such that it would not be prac-

licable to refuel and take off except under very favorable conditions and a very light load of gasoline.

THREE YEARS TO DEVELOP A PLANE

It takes nearly three years to develop a new type of plane. This period represents the constant effort of many experts concentrating upon the determination of the fundamental characteristics of the new plane, the balancing of its weights, the reduction of its wind resistance and developing carrying capacity and speed. Like all new developments, there is always a chance of failure. The lines along which such a plane can be developed are fairly well understood. The science of aviation has arrived at a stage where it compares favorably with the science of naval architecture. That is to say, by the use of scientific principles and data already developed, by experiment with models of the new plane in the wind tunnel to ascertain the actual resistance of models and of its several parts, it can be predicted now with a reasonable degree of certainty what the speed and capacity of a plane will be, just as we can predict the speed and carrying capacity of a new ship before it is actually built. The art has now reached a state of development which indicates that future progress will be gradual and that we can not hope for any phenomenal developments in speed, lifting capacity, radius or ceiling unless accompanied by some revolutionary invention or discovery.

The large expenditure of public money necessary in the development of racing planes is justified not because it is important to win a race, but because speed is the greatest asset of a fighting plane, enabling it to overtake and destroy a less speedy enemy plane, or, if necessary, to escape combat with superior forces. In such fighting a superiority of five or ten miles per hour might be decisive. The lessons learned in developing and flying the racing planes will be used in further developing our fighting planes.

As an illustration of a disappointment of reasonable expectations we may cite the case of the first of the new "three-purpose" service planes delivered in 1924. A contract was let for the first of the new triple service planes, and so confident were the

contractors of the success of their undertaking that they guaranteed certain performances of the plane. For instance, it was guaranteed to attain a ceiling of 6,000 feet; it was to have a speed of 100 miles an hour. When the plane was completed in accordance with the design and after the greatest possible care in its production, it was found impossible to get the plane higher in the air than 4,500 feet with the guaranteed load. This difference, with the resultant disappointment, must be accepted in our constant effort to reach out for bigger and better accomplishment. Of direct influence on this effort is the effect of anti-aircraft defense. It will not do to ignore anti-aircraft gunfire, particularly with a heavy and slow bombing or torpedo plane. Their degree of security from gunfire lies in part in their height or ceiling. At sufficient height they can escape all risk, and at machine gun range the hazard from such guns and from 3-inch and 5-inch anti-aircraft guns is so great as to render a successful attack very dubious and make possible the destruction of the plane. The situation of a bombing plane is a good deal like that of a small boy climbing a ladder to get away from the whip of an angry man. If he gets high enough he is perfectly immune; if he does not get high enough he is not immune. If he is carrying a very heavy load he cannot climb so fast, and cannot go up where the rungs are too light to sustain him and his burden. So a plane with its load of men, gasoline and bombs can go only so high in the rarefied atmosphere found at great heights. This limit is called the ceiling of the plane, which varies with the load.

SOME DISAPPOINTMENTS

This same three-service plane, further developed after great difficulty, had engines which were apparently better than anything so far built in the world. It was felt by the Bureau of Aeronautics that they had at last, in 1925, accomplished the task which had been set for them in 1922 by the General Board. The pilot of one of the new planes equipped with this new engine for a trial flight while taking off from the water suddenly discovered that his engine had vanished. Another new plane equipped with a similar engine was

flying at a height of 2,000 feet when the pilot discovered that his engine had also mysteriously disappeared. Happily he landed successfully without injuring anyone, but the plane was wrecked. The damaged engine of the second plane was recovered, and an examination of the propeller as well as of other propellers brought about the conclusion that the fault lay in the propellers. The wooden propeller had broken up as the result of the high speed and power of the new engine and the engine under the unbalanced force from the broken blade jumped off the bed plate and out of the plane. A different type of propeller was installed in the other airplanes of the same model and these have since functioned perfectly and fully realized the expected performance. This incident not only illustrates the necessity of testing new equipment, but shows that the development of the plane, of the engine, and of the propeller must go hand in hand and that each advance may be attended by wholly unforeseen difficulties. This experiment was costly, but it saved a possible disaster in time of war and resulted in producing a valuable and reliable type of plane.

Such difficulties can again be illustrated by the preparation made for the Pulitzer and Schneider races recently held. The first of the three planes developed for the races was turned over to the Navy, and in it Williams made his remarkable record of speed of 302.4 miles per hour by diving from a height of about 3,000 feet and then flattening out on a straightaway course. Singularly enough the engines for the other two planes, although apparently identical in every particular, gave a great deal of trouble. The engines were taken apart and compared part by part with the engine Williams used in his record-breaking flight and no substantial difference could be discerned. At this point Commander Wilson, our engineering expert in the Bureau of Aeronautics, was summoned into consultation by the manufacturers and he was able to make some suggestions, shortly before the races, which resulted in putting these two engines in commission in time for the races, and it was with one of these two engines that the Army defeated the Navy both in the Pulitzer and Schneider Cup

Races. It is not too much to say that co-operation of the Navy in the joint enterprise in producing these racing planes enabled the Army to defeat all other entrants in the Schneider races, including the Navy itself.

AVIATION DEFENSE

The problem of aviation in the Navy is two-fold—offense and defense. Defensive measures require the use of anti-aircraft guns as well as aircraft. We are just as much interested in producing an effective system of gun pointing for defense against airplane attack as we are in producing aircraft to attack the ships of an enemy and devising a bomb sight which will increase the probability of hitting an enemy ship. The suggestion frequently made that there is a conflict of interest between the Navy and Army with reference to the effectiveness of the bombing of ships is preposterous. If bombing is the most effective way of defeating an enemy's surface fleet, then that is the method the Navy will develop and use. For after all, if we are to make the most effective defense the fleet of the enemy must be defeated upon the high seas or near its own coast and before it has either reached our coast or has come within bombing range of our shores. This is the Navy's task, and must be accomplished by the most effective means.

In view of our isolation this is one of the most important considerations of the whole problem of national defense. An enemy airplane carrier, if not deterred by our fleet, might take up an available position at sea and under the cover of darkness might, at an unknown instant, launch a surprise bombing attack against Boston, New York, Philadelphia or Washington. The airplanes based on shore for the defense of these cities would have great difficulty in discovering and in warding off the attack. If, however, our fleet, fully equipped with its own aircraft, sought out the carrier it could drive it back out of bombing range. Knowing this, the enemy would probably support this carrier with his fleet, and the inevitable result would be an engagement at sea in which success would go to that fleet which was strongest not only in the air but on the surface and beneath the surface.

Again, we may be open to air attack

from over the sea either from the northeast or southeast or the northwest. Such attacks, however, cannot be made without a possible enemy being in possession of suitable bases along the route. Even then his aircraft would be subjected to the extreme rigors of bad weather in the northeast or northwest area. Obviously the fleet at sea with its own aircraft can cut the lines of communication to these bases and thus protect us from any possible attack. The natural conclusion then is that our chief aviation defense must lie at sea with the fleet in order that in case of attack we may be free from danger at home.

BOMBING PLANES

In the matter of bombing ships, it is not sufficient to develop bombing planes that will carry a bomb and drop it somewhere near an enemy ship. It is necessary to drop the bomb either on the deck or close alongside the target. For this purpose bombing sights must be developed. The most effective bomb to be dropped on board ship is one that will pierce her deck armor and explode underneath it, but the amount of explosive carried by such an armor-piercing shell will be utterly ineffective if dropped in the water alongside a ship. The probability is that armor-piercing bombs will not be used because of the slight chance of being effective; that the bomb used will be one calculated to damage the ship most seriously, if it explodes close alongside, but it will carry sufficient explosive to do considerable damage above the protective deck of the ship if it strikes the ship, although in such an instance the damage would in no case be vital; and that dependence will be placed not on a single extremely large bomb, say of 4,000 pounds, but on a number of hits by smaller bombs of over 1,000 pounds. Again, it must be determined at the time the bomb fuses are designed for depth at what depth the explosion must take place. Now, the most effective point of explosion varies in depth in accordance with the distance from the side of the ship. But it is impossible to determine how far from the ship the bomb will land, as this depends on the accuracy of the bomber, so that undoubtedly the fuse will be set for an average depth, and the attacking party

must therefore be contented with some damage less than the maximum possible by the explosive charge unless the bomb happens to strike at the most effective distance from the ship, for that depth.

Constant experiments have been carried on by the Navy Department to determine all the factors entering into the problem of the amount of damage to a ship due to underwater explosion. These experiments have been conducted for years and they have taken various forms, such as construction of miniature ships and discharging small amounts of explosives proportioned to the size of the model; the building of full size sections of a ship and the use of full explosive charges against it; the building of blisters on the outside of the battleship *South Carolina* and the explosion of TNT in contact with the skin of the ship at a predetermined point by actually making the charge fast to the ship at that point. The experiments culminated in the explosion of charges against the skin of the *Washington* and at varying depths and distances from the outer skin of that ship. It has been surprising to see how closely the actual results upon the *Washington* and *South Carolina* followed the results of calculations and experiments on a smaller scale theretofore conducted. We know now what an underwater explosion will do to a ship as we could not know from bombs dropped from aloft, because of the indeterminable factors in the latter case.

It is very simple for the airman to say that if the bombs carried by his plane today will not sink a ship he will take a larger bomb which will sink a ship. This offhand statement involves a long period of development. A larger bomb either means a lower ceiling and a closer approach, or, if a larger plane is used, more powerful engines for such plane. In the meantime we are increasing the accuracy and the power of anti-aircraft guns and building fighting aircraft to drive off enemy bombers. When it has been finally determined that it is practicable to carry the larger bomb with a fair chance of vitally damaging the ship, then we can and will build additional compartments within the ships already built, thus in effect building a new inner skin to the ship,

and the bombing plane must then be further developed to meet this new construction. The navy is interested not only in one of these developments but in all of them; not alone in its ships with anti-aircraft guns and inner compartmentation and outer blisters, but also in the means of attack by bombing planes at increased heights with larger bombs and with better bomb sights. It is fair to assume that our own ingenuity in development of means of attack and means of defense will be substantially that of other powers making similar endeavors.

OBSERVING PLANES FOR LONG-RANGE GUNFIRE

Our fleet, like that of every other nation of the world, is primarily based upon the utilization of gunfire for offense and defense. New problems arise in connection with these means of offense and defense. The most notable development in the realm of naval warfare has been increased ranges at which battles will be fought made necessary by the continuing development of the torpedo, and by the increasingly destructive effect of gunfire. The menace of torpedo attack at close ranges is so great that battles may be fought at extreme ranges so as to be beyond reach of the torpedoes now developed. The battle ranges in the Revolutionary War were usually less than 100 yards; in the Civil War not over 500 to 600 yards; in the Spanish-American War 3,000 or 4,000 yards; in the World War 9,000 or 10,000 yards, and it is believed that in modern naval warfare gunfire may be opened at over 20,000 yards.

In view of the fact that modern long-range gunfire is largely a matter of trial and error, that is to say, all subsequent shots are based upon observed results of those preceding, it is essential that the exact location of the splash of the previous salvos should be known. At such long ranges it is impossible to observe the fall of shot with sufficient accuracy from the tops of the masts of the ship. For this reason, the development of the observing or spotting plane has been carried on in order that such a plane may fly comparatively near the enemy's ship and report from its advantageous position the fall of

our shot. The value of this plane depends upon the development of a system of radio communication, upon the ability of the plane to carry an observer who has sufficient knowledge to correctly report what he sees and to determine from which of our ships the shells upon which the plane is reporting were fired. In this work, therefore, it has not only been necessary to develop a new and light receiving and sending radio equipment for planes, but to develop new planes and new engines themselves and train the men in actual work of coordinating their effort with that of the fleet. These planes must be protected by fighting planes.

PLANES ON SHIPS

It has been the policy of the Department not only to build aircraft carriers but also to place aircraft on practically all our ships. The catapult developed by the Bureau of Aeronautics, for the projection of our aircraft from the battleship or cruiser, is one of the outstanding developments of the service and has made it possible for each battleship to carry its own spotting plane and a fighting plane for its protection. No other nation has this system.

AIRCRAFT CARRIERS

In the closing days of the Conference for the Limitation of Naval Armament it was agreed by all powers that the tonnage limitation for aircraft carriers should be 27,000 tons. It was also agreed that the total tonnage of the aircraft carriers for all powers should be as follows:

Great Britain	135,000
United States	135,000
Japan	81,000
France	60,000
Italy	60,000

At the suggestion of our naval experts and for the purpose of economy it was later agreed that each of the powers might build two aircraft carriers from ships already building and designated to be scrapped, or new construction. Acting under this provision of the Treaty we are completing two aircraft carriers, the Lexington and the Saratoga, which will be the largest ships of their class in the world. The planes for these ships are yet to be

built, and will be the best planes that can be developed before their completion. Such development is still in progress.

ANTI-AIRCRAFT GUNS

Some extravagant statements have been made as to the inefficiency of anti-aircraft gunfire. Broad general statements as to their inefficiency have been made which are misleading owing to the fact that the accuracy of the gunfire depends upon several factors, one of which is the speed of the plane. It might readily be conceded that it would be virtually impossible to hit a plane of the type flown by Williams in which he made a flight of about 450 feet a second, for this plane has great manoeuvrability as well as speed. It is quite a different matter to attack a bombing plane loaded with a bomb weighing 2,000 pounds, compelled to deliver its bomb at a given place in order that it may hit a target. The new anti-aircraft guns already developed and now going into service are expected to be at least four times as efficient as 3-inch guns now in use because of the larger area covered by the fragments of the bursting shell, and in addition it is expected to greatly increase the accuracy of their gunfire by improved instruments and methods. The destruction wrought by these guns depends also upon the reliability and delicacy of the fuse as well as upon the skill of the crew and the efficiency of the control. These shells and fuses are undergoing tests and development.

GENERAL POLICY

The Navy from the first has been extremely and actively interested in the development of aviation and believes aviation furnishes a means for protecting our own fleet and making its equipment more valuable and for resisting assaults from the aircraft of the enemy's fleet. The Navy Department has recognized that aviation is not yet standardized and that there are great possibilities of development. It is recognized now that after nearly fifteen years' development the chances of revolutionary changes in either the engines or character of the planes are remote and that future development will be the result of

slow and determined growth as the battleship has grown from the old Monitor and Merrimac. A step at a time, each step taken carefully after due consideration, is the line of progress.

There is little danger of suddenly discovering a type of aircraft so different from our own as to entirely outclass the developments here. Most of the airplanes used in the World War were designed and built during that war. In case of war we have already developed types of planes and plans satisfactory for quantity production, and the time for producing a standardized plane is comparatively short. The great delays in present production of aircraft are due to a desire to improve the design and increase the capacity of the plane.

We are not yet entirely satisfied with the performance of any type of plane that has been so far produced for use in the Navy. We believe still better planes can be produced. In the meantime, our aviators and technical men and aircraft manufacturers all testify that America is not behind in type and design of plane, and without exception they all claim the type and design we have are the best in the world. It seems to me the sensible thing to do is to produce annually enough aircraft to replace those that have become obsolete or destroyed; to increase gradually the number in the service with a view to giving adequate training to officers and men in the fleet; to continue persistent effort to develop planes to their utmost capacity of elevation, of range and of weight carrying by increasing the efficiency of engines, decreasing the wind resistance of all types of planes and by the utilization of metals and other materials if they can be found to lighten the weight of the airplane and thus increase its carrying capacity.

In the meantime it should be stated that expert technicians in the Department of Aeronautics assure us that there is a point beyond which a power plant and increased size of plane are unavailing in giving any increase in efficiency of performance. They are able to predict with mathematical certainty the extreme theoretical range of the manufactured plane with the material we have now. This extreme range they place at 4,000 miles. The actual accomplishment of Rodgers's flying boat in his record-

breaking flight was less than half that distance. The statement that there is a heavier-than-air plane built or building which can fly more than 4,000 miles without refueling is therefore inconsistent with what these technicians say is a mathematical certainty. It will be seen that the development of aircraft, the development of the torpedo with its propulsive machinery and increasing range, speed and power, the development of the bomb with its fuse required to be of the utmost delicacy and precision in order to explode within a fraction of a second after the bomb strikes the surface of the water, the development of anti-aircraft guns with increased range, accuracy and rapidity of fire; the development of fuses for the shells fired from these guns so that they may explode with utmost exactness after a given and predetermined length of flight so that after a lapse of a few seconds from the time the gun is fired the shell will explode within a fraction of a second of a predetermined period of flight—must all go hand in hand with the development of aircraft for offense and defense in the intricate and ever-changing problem of modern defense.

In general, then, it will be seen that the

Navy Department long ago recognized the importance of aviation. It then laid down a definite policy looking to the development of new types of aircraft suited to its needs. It has brought about this development in a remarkably brief interval of time and is at present in advance of the art elsewhere. It has deliberately kept down the number of aircraft to that necessary for its needs, and in the interests of economy has refrained from purchasing large quantities of aircraft which would be obsolete almost before they were finished. The Navy has developed this aviation in close cooperation and coordination with the various branches of the fleet and in cooperation with the Army, and in strict accord with the idea that naval aviation must go to sea with the fleet and help to keep any possible enemy beyond our shores. When we realize the complexities of the problem and the brief interval of time that has elapsed we are forced to the realization that the Navy's active and progressive policy has borne fruit. Measured with the full knowledge of what we are trying to do, how complex the problem is and how much we have done, it is apparent to any one that great progress has been made.



Curbing Crime in the United States

By THEODORE E. BURTON

Formerly Senator and Now Member of the House of Representatives
from Ohio

AMONG dangerous tendencies in the United States there is none which more urgently requires immediate and earnest attention than the prevalence of crime. The prominence of the deadly sin of murder is a serious danger signal. The number of homicides has come to exceed 11,000 per annum. A comparison of average percentages per 100,000 inhabitants with other countries, over recent periods of approximately ten years, is humiliating in the extreme. The following table tells the story:

HOMICIDE RATIO PER 100,000

United States, registration area, including 82 per cent. of the population in 1920	1911-21..... 7.2
Italy	1910-20..... 3.6
Australia	1911-20..... 1.9
South Africa	1912-18..... 1.8
New Zealand	1911-22..... 0.9
Ireland	1911-19..... 0.9
Spain	1911-17..... 0.9
Norway	1910-19..... 0.8
England and Wales	1911-22..... 0.8
Quebec	1911-21..... 0.5
Ontario	1911-21..... 0.5
Scotland	1911-21..... 0.4
Holland	1911-18..... 0.3
Switzerland	1911-20..... 0.2

From the above figures it appears that the ratio of homicides to population is one-half as great in Italy, one-eighth in Ireland, to which reference is frequently made as a turbulent country; one-ninth in England and Wales, one thirty-sixth in Switzerland, which has the most commendable record. But even worse, the figure of 7.2 per 100,000 for the years 1911-21 has been computed as increasing to 10.3 in 1924.

A comparison of some of our largest cities with cities abroad is still more emphatic in proving how much more serious is the crime of homicide in centres of population in the United States. In the year 1918 there were 222 homicides in the City of Chicago, against 154 in all of England and Wales, and six times as many as in the

City of London, by which is meant the metropolitan district, with 7,000,000 people. In 1921 the number in Chicago had reached 352; in 1923, 389; in 1924, 509, a most startling increase. In New York City, while the proportion of murders to population is less than half that in Chicago, the contrast with London is nevertheless very disturbing. In the cities of Central Europe cases of homicide are somewhat less frequent than in London. In the latest year for which statistics are available there were only 25 in Berlin and 19 in Vienna.

The record of cases of burglary is equally a reproach to the United States. The Cities of St. Louis and Detroit have both shown, in a definite period, a larger number of burglaries than London. It is estimated that the total loss by theft in the United States reaches the enormous sum of \$300,000,000 annually. In the single year of 1920 30,000 automobiles were stolen in 28 cities. But the losses by burglary or theft are far less than by crimes which involve abuse of confidence rather than stealth or violence, such as forgery, embezzlement, fake enterprises, and so forth.

The most unfavorable comparison of all is in the crime of robbery, including assaults with attempt to rob, and hold-ups, as they are termed. The exceptionally orderly City of Washington in a single year reported four times as many robberies as London, and Los Angeles more than all in England, Wales and Scotland.

When did this epidemic of crime begin? Has our country always shown so unenviable a record? Statistics upon this subject are exceedingly unsatisfactory. They are alike lacking in uniformity and completeness. The United States Census report of 1850, however, contains valuable figures, embracing details by States, and sets forth comparisons with other countries. The following statement is made: "Crime: Upon this subject the material of the cen-

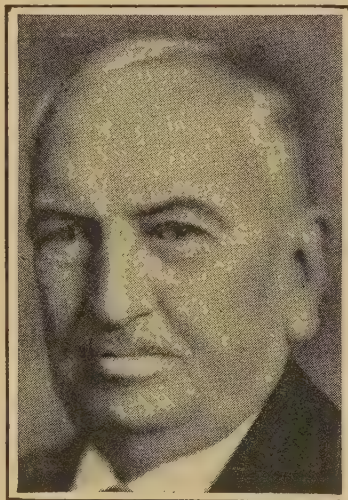
sus is very full." The report shows that the number of criminals convicted in the year ended June 30, 1850, was somewhat larger in the United States than in the countries with which comparisons would naturally be made, but display no unusual difference. The convictions in the United States were 26,679 in this year 1850. In 1849 in England and Wales there were 21,001; in Ireland 21,202, a figure which seems surprisingly large; in France 19,720.

From available data the conclusion must be reached, I think, that there was no exceptional crime condition, at least prior to the Civil War. True, there were sensational crimes in the 50s, such as the murder of Dr. Parkman by Professor Webster, and the unsolved mystery of the murder of Dr. Burdell, a wealthy dentist of New York City. Nor does it appear that the increase was great, nor comparisons startling, immediately after the Civil War.

The number of convictions in the year 1860, as given by the Census Report for that year, shows a very phenomenal increase, the number being 98,836, but of these much more than 70,000 are from New York and Massachusetts. It is commented in the report that the disparity between New York and other States must be due to the fact that elsewhere only convictions in courts of record were counted, while in New York convictions in police and justice courts were alike included. In 1870 the number of convictions was 36,562, an increase over 1850, which can be explained as commensurate with increase in population. These figures, which can be accepted as only partially reliable, nevertheless indicate that up to 1870 there was no phenomenal increase in crime. It may be presumed that convictions were had in a larger proportion of cases than in more recent years. It is difficult to form any

very reliable conclusions, but from the best sources available it would appear that a steady increase of crime had its beginnings in the United States about forty years ago. The pace was much accelerated in the period beginning about 1901, and still further increased with the beginning of this decade.

In more recent years it is difficult to arrive at generalizations from statistics of arrests and convictions because of newly enacted laws and offenses which did not assume importance until within a comparatively short time, such as prohibition and narcotic laws, the theft of automobiles, violation of traffic rules or ordinances, which last, in thirty cities of the country, constitute 40 per cent. of all arrests. Statistics which show the increase of crime can be derived from the number imprisoned. Here also there is much difficulty because of the adoption of suspended and indeterminate sentences, paroles, and so forth. The difficulty is enhanced also by the estab-



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lishment of houses of correction and similar institutions. These figures show a phenomenal increase in Federal offenses, in relation to which the information is most complete. In the year 1914 the number in the Atlanta Penitentiary was 792; in 1925, 3,225. The number of convicted criminals lodged in that penitentiary for counterfeiting and forging United States obligations doubled in the five years from 1921 to 1925, or from 105 to 218; for violation of the postal laws, the number was nearly doubled, or from 227 to 420; for violation of the national banking laws more than doubled, from 19 to 48; for white slave law offenses, an increase from 49 to 97. The increase in violations of the drug act, including conspiracy, smuggling and importing, was more than trebled, from 322 to 1,046. For violation of revenue and prohibition laws, the increase

was from 173 to 437. The total number in all Federal prisons on July 1, 1923, was 7,503, or nearly 800 more than in all prisons in the United States in the year 1850.

There is a widely accepted explanation of the causes of the present crime wave which can not be accepted as correct. It is that present conditions are a result of the late war. After so colossal a struggle as that in 1914-18, there naturally would be less regard for the sacredness of human life and the inviolability of property. The ruthless methods in time of war naturally have some survival in time of peace, and this may afford a partial explanation of the present situation. But while crimes have reached a greater volume in the United States than ever before, a general survey disproves the assertion that the war has been the cause of the notable increase. In 1919 the criminal records of Great Britain showed a diminished volume. In France the number arrested for murder in 1912 was 674; in 1919 only 399.

RECENT CRIME TENDENCIES

There are certain phenomena in the history of recent crimes which are worthy of attention. While almost every other form of criminality has increased, the crime of incendiarism has very much diminished. Arrests for gambling are estimated to be five times as many as twenty years ago. In New York alone the number reached 30,117 in 1924. The victims of the swindler and the fake promoter have been multiplied. Offenses are not so often committed by single individuals. The modern tendency to combination has been adopted by thieves. The average age of criminals is less than formerly, though in the last year statistics seem to show some reaction in this regard. The capture of the offender at the scene of his exploit is infinitely greater because of the automobile. The profits of the bootlegger and other offenders are so very large that bribery of officials has assumed dangerous proportions.

In comparison with other countries, the officers of the law are subject to a very considerable disadvantage because of the heterogeneous nature of our population. This is embarrassing in the administration of the law, and statistics show that of the criminals convicted there is a very large

proportion among certain separate elements, especially among the dwellers in our cities.

Even more reprehensible than the increase in crime is the constantly increasing laxity in its punishment. This is at the same time a very potent reason for the aggravation of the evil. Chief Justice Taft, in an address delivered so long ago as 1908, said the administration of criminal law in this country was a disgrace to our civilization. To show the progressive laxity in the punishment of crime, he pointed out that in 1885 the number of murders was 1,808, while in 1904 there was 8,482, or more than four and a half times as many. Yet, in 1885 the number of executions was 108, while in 1904 the number had only increased to 116, and he added, "felonies will increase unless the criminal laws are enforced with more certainty, more uniformity and more severity than they now are." A painstaking statistician has shown that in 1885 there was one execution to each 16.7 murders. By 1904 the odds that the murderer could escape the gallows had increased to 73 to 1, and by 1918 to 90 to 1. The statement has been made and not contradicted that in the year 1920 the District Attorney of New York City investigated 679 homicide cases. Of the total just one was convicted of murder in the first degree. A writer in the *Literary Digest* last year analyzed the situation by stating that for every ten murders committed in London 160 are committed in New York; seven out of London's ten are hanged while only one out of New York's 160 are executed. The statement is also made that in Chicago six policemen are killed in the performance of duty to every murderer that is hanged. As a further illustration of opportunities to escape punishment, the Warden of Sing Sing Prison points out that of 458 murderers sentenced to death in the State of New York from 1889 to 1923, only 298 were executed. The carnival of crime and the inadequacy of punishment which these figures display should certainly make us pause.

For every notable phenomenon there are fundamental causes which stand out like headlands in the landscape. One primary cause for these most deplorable conditions in the United States is the supreme regard

for the protection of the individual, which is secured not only by provisions of the Federal and State Constitutions, but is supported by a powerful public opinion. The average American is averse to harshness toward any one. It has been well stated by a prominent publicist that the countries of Europe, especially those of the Continent, differ in their criminal jurisprudence from our own in that there the central objective is the supremacy of the law and the punishment of crime. A distinguished Judge in Georgia was asked by an enthusiastic young lawyer to charge the jury that it was better that 99 guilty should escape than that one innocent should suffer. "Yes," said the Judge, "I will give that charge to the jury, but I must add that in my opinion the 99 guilty have already escaped."

The next cause is the very obvious laxity in our criminal procedure. For the adequate punishment of crime it is essential that the trial of the accused should occur with the greatest possible promptness after the commission of the offense. While substantial defenses should receive careful consideration, technical defects should be disregarded and trivial errors by the trial Judge should not be made a ground for the reversal of convictions. In all of these particulars our methods are gravely at fault. Long intervals frequently elapse between the commission of the offense and the trial. The established procedure means delay. Courts may be clogged or postponement obtained by manipulation. Trivial errors are given an exaggerated importance. A number of cases have recently been cited in articles upon this subject, the decision of which leaves us in doubt whether after all we are a practical people in the repression of crime. One of the worst was the reversal of the sentence of a horse thief because the initial "W" was used for "West" in designating the State of West Virginia.

In addition to the inefficiency of our criminal jurisprudence, there is a maudlin sentiment which sometimes bestows utterly undeserved sympathy upon criminals of the deepest dye, and even would exalt them to the position of heroes. Compassion is more aroused for the guilty one in his cell than for his victim in the cemetery. Among those of less emotional instability, mem-

bers of juries are often over-indulgent and Judges too lenient. Laws which may have a proper place, but which are sure to lead to serious abuse, have been framed, authorizing the suspension of sentences, creating parole boards, and establishing indeterminate terms for criminals. In 1919 34.6 per cent. of all sentences imposed in New York State were suspended. Two years earlier, it appeared that 87 per cent. of all persons confined in the prisons of the State were sent there for second offense, and that a very large proportion of them had been out on parole. Judges have often been embarrassed in fixing sentences by legal limitations, so that most dangerous offenders would be eligible for release after serving a very short time. Other most regrettable obstacles arise from the utilization of the defense of insanity, to which almost every skillful criminal lawyer resorts when he thinks he has a hopeless case. Mr. Secretary Wilbur, in an address before the American Bar Association in 1922, proposed that insanity be no longer treated as a defense to a criminal charge, and that evidence on that subject be excluded from the jury, but that after conviction, the defendant, upon suggestion of insanity, be examined by a board of alienists with a view to determining what should be done. This same suggestion has been made by a number of others, and has received very considerable support.

In any appraisal of the causes of crime in the United States account must be taken of the intense pre-occupation of the individual—the superabundant vitality of American life, the hurry and bustle, the almost universal ambition for improvement in material conditions in a country where there is no crystallization either in society or in industrial opportunities, manifesting itself frequently in a consuming desire to obtain the means to meet constantly growing expenses. Then there is the startling shifting of population from rural life to urban centres, where crime is inevitably more prevalent. As a result of all these factors, it must be conceded that the civic spirit which would repress dangerous tendencies has been blunted, and strong incitements to crime have been created. Much has been said of the failure of the home, the school and the Church to

do their part in the repression of crime. There is no doubt foundation for this accusation, but it raises a very broad question. These three mighty agencies for good may have fallen short of their duty, but, if so, the failure pertains not merely to the prevention of crime but to their influence upon the whole social fabric.

SUGGESTED REMEDIES

It is difficult to indicate remedies to extricate ourselves from the discreditable level to which we have fallen, but there are some general suggestions which may be offered. Most important is an aroused public opinion which shall realize the deep disgrace which rests upon us because of the prevalence of crime, and a conviction that the protection of society, the maintenance of proper standards of order, imperatively require a more prompt and a more certain punishment for crime. Other remedies lie in legislation. Repeals rather than new laws will be helpful. It is doubtful whether parole should be granted except to first offenders. In some States, the majesty of the law would be promoted by giving a long vacation to the existing parole boards. There should be a limitation in grounds for reversal, to substantial errors which plainly prejudice the rights of the accused. Sufficient Judges should be provided to insure prompt trial. The evils which attach to the law's delay cannot continue without serious injury to the maintenance of the law.

Let me add two more specific suggestions. A drastic reform, which strikes at the very root of crime conditions, has been earnestly advocated and partially adopted—that is that the possession of pistols and revolvers be forbidden except to officers of the law and to private individuals under a license system, carefully guarded. This would involve both national and State legislation. Under the present system it is possible for a person to order by mail a deadly weapon either from a mail order house—some of which must be highly commended for having abandoned the trade—or from a dealer or manufacturer. These shipments by mail can be prohibited by Federal law. Some propositions go further and would forbid the manufacture of

these articles. The arguments for regulatory measures are very strong. Baron Schober, former Prime Minister of Austria and now President of the Police, at a conference in this country this year, stated that there were more revolvers in the United States than in Europe, Asia and Africa combined. The London police do not use revolvers. Their use is so strictly forbidden in England that there are very few in the possession of officers of the law and almost none among private persons. Much the largest share of the murders committed in the United States is by use of deadly weapons. In some localities the proportion is as high as 90 per cent. It is obvious that the basest coward, with a revolver in his hand, can overawe the bravest spirit. It is argued in opposition that a prohibition would restrain the law-abiding citizen and give an undue advantage to crooks, in that the latter, by surreptitious means, would in some way obtain weapons. An analysis of this argument must show that it has not the force ascribed to it. In the first place, by severe penalties for the possession of firearms, the possession by crooks could gradually be eliminated. In many cases the criminal who has a crime in prospect would be prevented from committing it by arrest and punishment for the possession of a revolver or deadly weapon. As an actual fact, it is well known that in many if not most of the cases where bank messengers, or those having payrolls in their possession have been robbed, they were themselves armed. The crook, by greater agility, compels them to hold up their hands, or in some way prevents the use of the weapon intended for their defense. It is hardly necessary to speak of the cases in which firearms have been injudiciously used by those not familiar with them. And still further, there have been suicides which probably never would have occurred except for the peculiarly dangerous charm of a revolver or other deadly weapon, which causes the individual, in moments of unusual excitement or depression, to take his life.

Legislation is pending both in Congress and several of the States. In the State of New York there is a statute on this subject which might almost be accepted as a model. It is, however, not effective, because it is

so easy to obtain revolvers and other weapons from near-by States. In fact, instances are related in which, when a request was made to a dealer in New York for a revolver, he has accompanied the prospective purchaser to Jersey City and completed the transaction there. Thus no action by a single State, nor, indeed, by the National Government alone, would be effective for the purpose intended.

The present methods of punishment may not be altogether ideal, but in determining the status of the criminal it is best to brush aside certain modern theories, such as that of Lombroso, that the causes of crime must be based entirely on physical criteria; also the theory which would deny individual responsibility. There is no doubt merit in the suggestion that we study environment,

psychiatry, psychology, biology, sociology, and so forth, but let us not be befogged. Aside from some derelicts or degenerates, who should be incarcerated or permanently detached from society, crimes are the actions of those who are free agents, and in solving this problem we must not deny the existence of free will.

In conclusion let me say that the whole history of the past in the United States is proof that evils or wrongs may be tolerated for a time, perhaps a long time, but when they have reached a certain magnitude or assumed an unusual boldness, the weight of public opinion and an awakened conscience are sufficient to destroy them. It is to be hoped that this will be true of the epidemic of crime which now holds the country in its grip.

Repudiation of Debts by States of the Union

By RAYMOND TURNER

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IN the past few years a great deal has been said about payment of European debts to the United States for money borrowed during the great war or shortly after the armistice. Opinions have differed about the righteousness of demanding payment or the propriety of any repayment in full. In the United States many people regretted that payment was asked for, deeming forgiveness of debts incurred in the common cause a contribution that America was able to make, and one she should willingly make. Generally, however, it was held that the loans had been granted on condition of repayment, which should be fulfilled as soon as could be. Notwithstanding all arguments, for some time no debtor of importance, excepting Great Britain, showed any disposition to pay. So, during 1921 and 1925 righteous anger was often expressed in the United States, and many believed that pressure ought to be applied. With respect to France, Senator Borah, Chairman of the Senate

Committee on Foreign Relations, wrote: "This matter of the loan was a plain, honorable engagement, and that kind of engagement is quite as sacred as the engagement of a formal treaty." And he added that the idea of non-payment was a "doctrine of shame and violence, repudiation and confiscation, the creed of Communists. * * * Even the imputation ought not to be permitted to have a basis."

In 1925 the Corporation of Foreign Bondholders, which has headquarters in London, issued its fifty-first annual report. This report, like many others previously published, gave account of debts due to British creditors by various defaulting countries, the list including Honduras, Mexico, Portugal, Russia, Turkey and some of the States of the United States: "The Council regret to report that while the Government of the United States has, during the past year, devoted much attention to the payment of obligations incurred by its allies during the great war, no steps have

been taken by the defaulting States of the Union to recognize and pay their debts."

It is not now generally remembered by the American people that various of the States have had evil reputation with creditors, and that some of them, having repudiated debts, have not to this day seen fit to pay what they owe. During the troubled reconstruction period certain Southern States assumed debts which they later repudiated on the ground that the loans were improperly or illegally taken, at a time when the people's true representatives were suppressed, and when the States were being governed by strangers and scoundrels. Other debts were incurred in Northern and Southern States much earlier, for internal improvements, and were afterward repudiated when the schemes undertaken had failed. In course of time the Northern States satisfied their creditors by payment or agreement and refunding. For the most part nothing has ever been done in the South.

DEBTS REPUDIATED BY SOUTHERN STATES

In 1866 Georgia invested \$1,000,000 in the Atlantic & Gulf Railroad. In the next three years the Legislature granted aid to more than thirty railroads, issuing or endorsing bonds for some \$8,000,000. At this time the State was under control of "carpet baggers"; fraud and corruption were alleged and proclaimed. In 1871 a legislative committee was appointed to examine into bond issues. Next year several of the State's obligations were voided. In 1875, after further investigation, additional acts of repudiation were passed. A little later the Legislature repudiated bonds that had been authorized before the Civil War. In 1877 a new Constitution of the State provided that the General Assembly should have no authority to appropriate money for paying principal or interest of the obligations pronounced null and void. Among the debts repudiated in this fashion were various sums totaling about \$13,000,000 obtained for construction of railroads from British investors. The Corporation of Foreign Bondholders continues to list these bonds, along with repudiated obligations of certain Spanish-American and Asiatic countries, in the hope that they may some day be paid.

In 1868 and 1869 various acts of the South Carolina Legislature authorized loans to redeem previous State indebtedness and for assistance to the Blue Ridge Railroad Company. Some of these acts failed to designate the total amount of the bonds to be issued. In 1871 a law of the State created the so-called sterling funded debt, which provided for issuance of 6 per cent. bonds to the amount of £1,200,000. In regard to these various loans there was reason to suspect corruption and extravagance or gross lack of care. After various investigations and disputes, in 1873 was passed an act which authorized the exchange of outstanding obligations of the State for 6 per cent. "consolidation bonds" of half the value of the stocks and bonds surrendered. In enumerating the issues exchangeable under the act, only a small part of the conversion bonds were included. Others of the par value of about \$6,000,000 were said to have been put upon the market without proper authority and so to be invalid. British creditors still hold many of these repudiated bonds, interest and principal unpaid.

NORTH CAROLINA, ALABAMA, LOUISIANA

Before secession North Carolina had a debt of \$8,761,000, mostly from giving State aid to canal companies and railroads. This indebtedness was somewhat further increased immediately after the war. In 1866, \$1,350,000 of bonds were issued to the Chatham Railroad Company and another; and two years later \$16,240,000 worth of "special tax bonds" to six railroads, their stock being taken as security. On these bonds the State was responsible for 6 per cent., which it hoped to be able to pay from dividends on the stock it had taken; but the enterprises yielded little, and the taxpayers had to bear the burden. As the weight of the load was felt, suspicion of fraud and mismanagement arose. Interest ceased, and repudiation was threatened. In 1879 an act provided that new bonds of the State should be exchanged for 40 per cent. of the old bonds issued before May, 1861; that various bonds issued to assist railroads were to be reduced by 75 per cent., and certain others by 85 per cent. This involved repudiation of about \$13,000,000 of bonds, not counting

several millions of unpaid interest accrued. Bonds valued nominally at \$12,624,000, issued by North Carolina for its railways and for the State penitentiary, are still held in Great Britain, unpaid and dishonored.

After the Civil War Alabama borrowed to meet current expenses. Beginning with 1867, a series of acts gave assistance to railways. Attempt at reduction of the debt was made in 1873, when an act provided that new 7 per cent. bonds of the State should be exchanged for old bonds given to railroads in the State, in the ratio of 25 per cent. Next year another law provided for various omissions, exchanges and refunding, as a result of which there was repudiated about \$15,000,000 out of a debt of more than \$25,000,000. Some of the obligations thus forfeited are still held in Great Britain.

During the earlier period Louisiana contracted a debt of more than \$23,000,000 for railroads, levees, schools and for the City of New Orleans. In 1861 this amount had been reduced to about \$10,000,000. After the Civil War large assistance was given by successive acts to railroads, ship companies and canals. In 1871 the total debt of the State was nearly \$42,000,000, notwithstanding that in the previous year had been passed an amendment to the Constitution making the limit \$25,000,000. In 1874 a statute was passed by which all the outstanding obligations of the State were to be exchanged for 7 per cent. bonds of a total value of \$15,000,000. Next year bonds aggregating \$14,000,000, which had been issued for railways or levees, were declared invalid. As a result of litigation that followed, this was largely reversed, but in 1879 a constitutional convention adopted a debt ordinance which reduced the stipulated interest on the bonds recently issued. Nearly \$1,000,000 worth of forfeited

bonds of Louisiana are held in Great Britain. Far larger were the losses of American investors, who have made a number of unsuccessful attempts to recover.

ARKANSAS, VIRGINIA, MISSISSIPPI

Before the war Arkansas added to her debt by assisting State banks. In 1873 the Legislature authorized loan of the State's

credit to certain railroads, they to pay the interest. The roads presently defaulted. About the same time the State issued bonds for construction of levees. Soon it seemed impossible to pay the interest. Meanwhile charges of fraud and illegality began to be made. In 1877 the courts declared the railroad bonds invalid, and the same was done in respect of the levee bonds the following year, the decision resting upon a convenient technicality in each case. In 1884 an amendment to the Constitution repudiated also certain other bonds that went back as far as 1840. Altogether Arkansas repudiated nearly

\$13,000,000 of obligations. Of them some \$8,700,000 is held at present in Great Britain.

For a long time indebtedness stood repudiated by Virginia, but in 1892, after a compromise had been accepted by the bondholders' committee, an act of Assembly provided for refunding and gradual payment, the creditors to lose about a sixth of their principal and accept lower interest. Meanwhile, one-third of the debt had been put aside by Virginia as the obligation of West Virginia. For a long time the Corporation of Foreign Bondholders carried in its statements some \$15,000,000 as owing from West Virginia. In 1919, suit having been brought by Virginia, the Supreme Court of the United States declared West Virginia liable, and somewhat later she settled.



RAYMOND TURNER
Professor of History, Johns Hopkins University

These debts were incurred principally, though not entirely, in reconstruction times. Others had been undertaken long before. In 1838 bonds to the amount of \$5,000,000 were issued to the Union Bank of Mississippi; in return the State received 5,000 shares of stock. Within two years the bank was utterly insolvent. In 1841 the Governor recommended repudiation of the bonds. Unconstitutionality was alleged on the ground of certain legal technicalities. The Legislature protested, but its successor asserted that the State was under no obligation to pay. Meanwhile, in 1830, the Planters' Bank had been chartered. Two-thirds of its capital was reserved for the State, and during the next two years \$2,000,000 worth of bonds were issued and sold in Philadelphia at a handsome premium. After a time of prosperity the bank decayed. In 1852 the question was submitted to popular vote as to whether a tax should be levied to pay interest on the Planters' Bank bonds. An adverse majority prepared the way for denouncing the debt. In 1875 the new State Constitution provided that payment of no obligation should ever be made in respect of the Planters' Bank bonds or the bonds of the Union Bank. These obligations had been bought by investors abroad; the Corporation of Foreign Bondholders lists \$7,000,000 of repudiated debts of Mississippi.

In 1833 the Territory of Florida chartered the Union Bank of Florida. The capital of \$3,000,000 was raised by selling bonds, for the most part in Europe. In 1842 the bank failed to pay interest on the bonds. Meanwhile, question of the Territory's liability was raised. In 1840 the Judiciary Committee of the Legislature resolved that such pledge of the people's credit was null, the legislative council having exceeded its authority under the powers granted by Congress. In 1855 the State began giving assistance to railroads, bonds amounting to \$4,000,000 being issued in exchange for first mortgage bonds of the several railway companies. During the reconstruction period the roads defaulted. Presently a court declared the bonds invalid, the Constitution of Florida not authorizing the exchange of State bonds for railroad obligations. Altogether, some \$10,000,000 of debts were repudiated. The

foreign bondholders carry claims for \$3,000,000 in respect of bonds disposed of prior to 1840, and \$4,000,000 owing on bonds issued in 1870.

It may be added that obligations incurred at various times by Michigan, Minnesota and Tennessee were repudiated, but subsequently compromise was made or payments resumed, so that for the most part repudiation by these States was undone.

It is not pleasant for Americans to recall this subject. All these debts have been owing for half a century, and some of them for more than eighty years. In 1919 one of the creditors' report declared: "The Council would be glad to hear what arguments can possibly be adduced in extenuation of the conduct of Mississippi in repudiating payment of its loans of 1831 and 1833, which were duly authorized by the State Legislature and were issued at a high price in this country [England]. The State invested the proceeds in the establishment of two banks, and so long as they prospered Mississippi paid the bondholders. But when the banks ceased to be profitable, the State not only suspended payment but actually repudiated its debt. Such a step has not been taken even by so backward a country as Honduras." Next year the corporation's report declared that with the exception of Russia there was no similar case on record, so far as the council was aware.

The unfulfilled promise to pay can be read in the bonds themselves: "United States of America, State of Mississippi, 5 Per Cent. Loan. Know all Men by these Presents: That the State of Mississippi acknowledges to be indebted to the Mississippi Union Bank in the Sum of Two Thousand Dollars, which sum the said State of Mississippi promises to pay in current money of the United States, to the order of the President, Directors and Company, on the fifth day of February, 1850, with interest at the rate of 5 per cent. per annum, payable half yearly at the place named in the endorsement hereto, viz, on the first days of May and November of every year until the payment of the said principal sum. In testimony whereof the Governor of the State of Mississippi has signed, and the Treasurer of the State has countersigned these presents, and caused

the Seal of the State to be affixed thereto”
 * * * According to the foreign bondholders, Mississippi has ample means at its disposal to pay all its creditors.

Less has been said about Florida, but more might well now be said. When it was inconvenient or difficult to pay, the Territory, and later on the State, took advantage of such technicalities or quibbles as might be used to repudiate almost any bargain. Some of the bonds have gone unpaid now for three generations. Meanwhile the State has advanced in prosperity and wealth. At present it is the most rapidly advancing community in the Union. From all over the North and the Middle West tourists and settlers and investors are flocking to Florida; fortunes are being made; great cities are springing up as by magic. And yet through it all the old debts go unpaid, and foreign investors whose countries are bidden to pay America in full are unable to get any recognition that Florida owes them anything at all.

DEBTS NOT OF CIVIL WAR STATUS

With respect to the debts contracted later, a misconception often prevails, and is sometimes apparently fostered, that the repudiation is for the most part on account of money loaned by foreigners during the American Civil War; and that no payment is made because such debts were declared null by the Government of the United States. No well-informed person has expected that the Confederate debts would be paid. In 1916 the report of the Corporation of Foreign Bondholders dealt with this very matter: “The Council are convinced that a great many people in America are under the impression that the repudiated debts of the Southern States represent money borrowed by these States during the American Civil War. This is quite erroneous; the list of defaulted obligations * * * given at the end of this report, does not contain any loan issued in the course of the war for any purposes connected therewith.”

It has been urged that the debts incurred by the Southern States during the reconstruction were imposed upon them by dishonest and rascally oppressors, while these States were being held down as a conquered country; and that since much

of the money was stolen or wasted, and brought the Southern people no advantage, the States have no obligation to repay. Recalling what happened in the South at this time, one cannot help understanding what prompts this contention. Such reasoning is very dangerous, however. Through similar arguments, repudiation of the Russian debts was justified by the Bolsheviks. Whatever the conduct of the reconstruction officials who took charge of the money borrowed by the Southern States, the loans were made to the Governments legally constituted for the time being. The approved procedure has been to punish defaulting officials, not repudiate Government faith. If, however, the Southern people believe it, and bring it about that the American people in general accept their conclusion, that the Government of the United States, because it was holding the Southern States in the years after the Civil War, is properly responsible for what its agents did there, then much may be said for the contention that the Federal Government should assume these debts. In 1907 the report of the foreign creditors said: “In the case of debts incurred by State Governments established by the direct intervention of the United States Congress after the Civil War, it certainly seems clear that it is the moral duty of the United States Government to see that a settlement is made with the creditors.”

NO REMEDY THROUGH FEDERAL COURTS

Foreigners wonder why there is no recourse for the collection of these debts, or for hearing of their cause, since the United States is a civilized country, with orderly population and a Government that effectually functions. Why is there not some remedy through courts in the United States? Because by the Eleventh Amendment to the Constitution a State cannot be sued without its own consent by citizens of another State or by subjects of a foreign State; because that consent can very seldom be obtained; and it is only occasionally that an action benefiting individuals is brought by one State against another State.

It is difficult for the foreigner to see justice in this situation. “The United States

Government," said one of the reports, "have recognized that it is incumbent on them to see that the Spanish-American republics do not take advantage of the Monroe Doctrine in order to avoid payment of their debts: it is surely a strange anomaly that the States of the American Union should be permitted to shield themselves behind the Constitution of the United States in order to obtain the same immunity." As the foreigner sees it, if it is the Constitution of the United States that makes it impossible on occasion to collect debts owed by parts of the Union, then the United States should itself become responsible for payment.

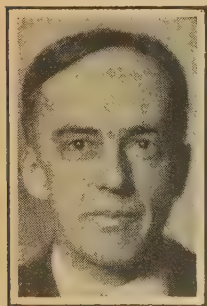
Many a one in the United States will ponder over this situation at a time when

his Government is insisting that foreign debtors shall pay what they owe, all excuses aside, though they are staggering under terrible taxation, hard times, and have a greatly lowered standard of living; and when American statesmen are deploring non-payment or delay as striking at the sanctity of contract and the foundations of that honesty upon which the relations of men should be founded. Are there not people in the South to raise this question again, and do what should honorably be done? Or is there not some statesman of integrity and independence at Washington, with eyes raised above the level of what is merely expedient for himself, who will lead the way? Will Senator Borah himself take the lead?

State Governors' Replies to Professor Turner

The following letters from the Governors of Georgia, North Carolina, Arkansas and Virginia, respectively, represent all the official replies so far received to letters sent to the Editor of CURRENT HISTORY to the Governors of all the States mentioned by Professor Turner in the preceding article. Proofs of Professor Turner's article accompanied each letter. Further replies to this important article will be published as received.—Editor CURRENT HISTORY.

GEORGIA—I have carefully noted the article to which you refer. The writer seems to be trying to be fair in his article, although he might have gone further and been a little more explicit, as the facts show that the debts which were repudiated were not contracted in the interest of the State but of individuals who were criminals.



Gov. Clifford M.
Walker of Georgia

I am sure that you are interested in the South and will understand my sugges-

tion when I say that the revival of those incidents is not and can not be beneficial in any way, and I question the wisdom of continually washing our dirty linen.

The South is now looking up and there are progressive and constructive incidents enough to engage our attention at present.

CLIFFORD WALKER,
Governor of Georgia.

NORTH CAROLINA—I have your letter of Nov. 11 enclosing an article written for the CURRENT HISTORY MAGAZINE by Dr.



Gov. A. W. McLean
of North Carolina

Raymond Turner, in which he takes occasion to repeat the discredited charge that North Carolina repudiated valid obligations issued during the carpetbag régime following the Civil War.

The inference drawn by Dr. Turner that North Carolina has repudiated any bonds upon which the

State was liable either legally or morally is highly surprising in view of the overwhelming evidence to the contrary. As a matter of fact, North Carolina has been so jealous of her financial reputation that a few years ago she paid one issue of her previously unrecognized bonds which were found to have been legally issued though no action lay against the State to compel payment.

I see no necessity for me or any one else

representing North Carolina to repeat the facts and circumstances which are so well known and of which the Corporation of Foreign Bondholders of London, England, quoted by Dr. Turner, is so fully cognizant. I will, therefore, content myself with answering the historian, Dr. Turner, by referring your readers to the comments upon the bonds referred to by two distinguished American historians of international reputation, namely: Mr. James Ford Rhodes in his *History of the United States*, volume six, page three hundred and five (305), and to the statement of the late United States Senator Henry Cabot Lodge, in his *History of the United States*, volume two, page eight hundred sixty-eight (868), showing conclusively that no legal or moral obligation rested upon the State of North Carolina in respect to the bonds mentioned.

North Carolina has carried on a great program in the last five years, constructing six thousand miles of State highway, spending about \$45,000,000 in the expansion of educational and charitable institutions, and for this purpose we have issued and authorized to be issued about \$145,000,000 of bonds which we have sold on the markets without difficulty. The credit of North Carolina is as good as any State in the Union, and this would not be true if investors felt that there had ever been a real default in the payment of her obligations.

ANGUS W. MCLEAN,
Governor of North Carolina.

[Governor McLean further sent to the editor of *CURRENT HISTORY* a State publication explaining an action brought by the Republic of Cuba against the State of North Carolina for recovery on repudiated bonds held by the Government of Cuba. Regarding the manner in which these bonds came into the Cuban Government's possession, Governor McLean says: "I am reliably informed that the bonds were presented to a department of the Cuban Government by, or at the instance of the Corporation of Foreign Bond Holders of London, England; that they offered batches of these bonds to practically every State in the Union and to many foreign countries for the purpose of obtaining influence of the donee in trying to force payment of the bonds."

The record presented shows that action was brought by the Republic of Cuba in the Supreme Court of the United States during the October term, 1916, to recover the sum of over \$2,000,000 for special tax coupon bonds issued by North Carolina in the year 1868. The State in its brief opposing the motion to institute suit (Jan. 8, 1917) refused its consent to be sued, basing its refusal on its own State Constitution and on the Eleventh Amendment of the Constitution of the United States. The State further confirmed its refusal to pay these or similar obligations on the ground that they were illegally and fraudulently incurred by "a ring of unprincipled adventurers" and "carpetbaggers" during the reconstruction period of 1868. Evidently convinced by the arguments of the State's legal representatives, the Republic of Cuba by presidential decree of Jan. 4, 1917, withdrew the suit, a decision which elicited from the General Assembly of North Carolina a resolution tendering to the Cuban Government the State's thanks, which read in part as follows:

Whereas we learn with much gratification through the message of his Excellency, the Governor of North Carolina, that his Excellency, Mr. Menocal, President of the Republic of Cuba, has dictated a decree withdrawing the petition filed by the Republic of Cuba in the Supreme Court of the United States for the purpose of enforcing the payment by the State of North Carolina of more than two million dollars of "Reconstruction Bonds"; and whereas this action by the Republic of Cuba was taken voluntarily and promptly as soon as the Republic of Cuba became acquainted with the character of the bonds and the circumstances under which they were issued: Now, therefore, &c.]

ARKANSAS — I have your communication inclosing an article with reference to "Unpaid American Debts."

I am enclosing herewith a printed response to such inquiries which is sent out by our State Treasurer.

TOM J. TERRAL,
Governor of
Arkansas.



Gov. T. J. Terral of
Arkansas

The document transmitted reads textually as follows:

TO WHOMSOEVER MAY BE INTERESTED:

Frequent inquiries are received at this office concerning certain old bonds of this State, issued during the Reconstruction period following the Civil War.

For the information of such inquirers, there is hereto appended a copy of an amendment to the State Constitution of 1874, which amendment is now, and has been, in force since its adoption in 1885, to wit:

AMENDMENT No. 1.

Article XX. The General Assembly shall have no power to levy any tax, or make any appropriations, to pay either the principal or interest, or any part thereof, of any of the following bonds of the State, or the claims, or pretended claims, upon which they may be based, to wit: Bonds issued under an act of the General Assembly of the State of Arkansas, entitled "An Act to provide for the funding of the public debt of the State," approved April 6th, A. D. 1869, and numbered from four hundred and ninety-one to eighteen hundred and sixty, inclusive, being the "funding bonds" delivered to F. W. Caper, and sometimes called "Holford bonds"; or bonds known as railroad aid bonds, issued under an act of the General Assembly of the State of Arkansas, entitled "An Act to aid in the construction of railroads," approved July 21, A. D. 1868, or bonds called "levee bonds," being bonds issued under an act of the General Assembly of the State of Arkansas, entitled "An Act providing for the building and repairing the public levees of the State, and for other purposes," approved March 16, A. D. 1869, and the supplemental act thereto, approved April 12, 1869; and the act entitled "An Act to amend an act entitled an act providing for the building and repairing of the public levees of this State," approved March 23, A. D. 1871; and any law providing for any such tax or appropriation shall be null and void.

Declared to be adopted by the Speaker of the House on January 14, 1885, and after due attestation and filing was so proclaimed by the Governor. Vote for the amendment being 119,806; and the vote against the amendment being 15,492.

The bonds in question, having been thus repudiated by the people of the State, are worthless.

Respectfully,

JOE FERGUSON, *State Treasurer.*

VIRGINIA—So far as the State of Virginia is concerned, Mr. Turner's article is incorrect and contrary to the evidence.

His heading, "Unpaid American Debts," and his article, leaving the impression that Virginia has repudiated her debt, are without foundation. For Virginia has settled with her creditors in a way which the Su-

preme Court of the United States reports is declared satisfactory to all parties. (See opinion of Holmes, J., "Virginia vs. West Virginia," 220 U. S.

p. 1; and opinion of Hughes, J., 238 U. S. p. 208.) The statement that "for a long time indebtedness stood repudiated by Virginia, but in 1892," and so forth, is incorrect and misleading as is Turner's statement so far as it applies to Virginia, "that the debt was incurred principally in reconstruction times."



Gov. E. L. Trinkle of
Virginia

No part of Virginia's debt was incurred in reconstruction times, except that in the 1866-67 acts of the Legislature of Virginia, the interest was compounded and added to the principal, and in 1871, the interest was again compounded and added to the public debt as principal. So that by the last act Virginia assumed about \$9,000,000 of interest as principal (this interest has been what accrued and was unpaid since the beginning of the Civil War).

In 1871 Virginia said to her creditors: "The total debt is in round numbers \$45,000,000. West Virginia, you have gone off with one-third of the territory of the old State; you must assume one-third of the debt." So that Virginia assumed \$30,000,000 and gave the holders of the old bonds West Virginia certificates called "Virginia Deferred" for \$15,000,000 payable when West Virginia had a settlement.

For years Virginia lived under the imputation made by the Johns Hopkins professor of having repudiated her debt though the London Council of State Bondholders omitted Virginia from the list of States so charged. The history of Virginia's public debt is one of which she may be proud. In her first Constitution after the Civil War, she put the provision that no new bonds should be issued except to take up the old bonds, or in case of insurrection. And no new bond has ever been issued by her since the Civil War except for that purpose. She is perhaps the only State in the Union with a large public debt that has reduced that debt at the rate

of a third of a million dollars a year for several years. Virginia's debt on Nov. 1, 1925, was \$20,146,703.33.

This is the balance of the debt incurred largely before any of the Virginia taxpayers were born, and all incurred before the Civil War which destroyed her property and dismembered her territory. (The compound interest, of course, is excepted.) Not only so, but Virginia, in order to save her good name, went into the Supreme Court and brought West Virginia to book by making her pay her share of the old debt as found due by the Supreme Court of the United States, principal and interest as of April 1, 1919, being \$14,562,867.16.

From the foregoing it appears that few individuals, corporations or States, have so good a record of fidelity to contracts, and pride in meeting their obligations as has Virginia. In 1871, after assuming thirty millions of debt as above set forth, she undertook to pay annually out of a gross revenue of \$2,800,000, the sum of \$1,800,000 (6 per cent. interest on \$30,000,000); and when this was found impossible after twenty years of struggle she

assumed to pay, and has paid and is carrying faithfully, the balance of the above sum of principal, and has met faithfully the interest as agreed on between the parties, and will continue to do so.

Since 1893, when Virginia's debt (exclusive of the West Virginia certificates), was \$30,339,969, she has paid off more than \$10,000,000 of principal, and has met all interest charges promptly. She has abstained from issuing bonds for roads and schools, but has maintained them out of her current taxes, that she might meet the obligations put on her by former generations when the State was rich and prosperous, and undivided, and uncrippled by Civil War.

Her struggle has been not only tragic, but homeric. If the years when she could not meet her interest promptly, but which now has all been met as agreed between the parties, be deemed in the eyes of any, repudiation, God help them!

ROSWELL PAGE,

Second Auditor, State of Virginia.
Official Spokesman for Governor Trinkle
of Virginia.



Harris & Ewing

The Capitol, Washington, D. C., at night

Syria's Rebellion Against French Rule

By WILLIAM H. SCHEIFLEY

Member of the Faculty of Indiana University

The following two articles, the first by an American university professor, author of "France in the Levant," and a close student of Near Eastern politics; the second by a Protestant missionary in Damascus, an eyewitness and one of the victims of the French bombardment of the city, illuminate one of the most dramatic events that have occurred in this region for a number of years. Both articles agree substantially in their conclusions as to where the responsibility of this disaster lies.

THE pan-Arab movement, which Lord Curzon fancied he saw developing in the shadow of the British Empire, is at present manifesting itself rather in France's oversea dominions. This is partly because it receives most encouragement from the French Socialists and Communists, who, taking their cue from Moscow, have since the armistice preached revolt among the colonial peoples, especially the subjects of their own country. Theoretically, it is true, the English Socialists hold the same subversive doctrine. And had Mr. MacDonald remained in power, Britain would probably have been the first to deal with colonial uprisings, as the threatening state of affairs in Egypt and India showed. Fortunately for John Bull, the British election of last Winter sent to Parliament an overwhelming Conservative majority, a fact discouraging to the fomenters of sedition.

How different the situation in France, where the Socialists dictate to the Radical Left! Hence the bold invasion of French Morocco by Abd el Krim last Summer, a venture destined to promote rebellion in Syria and elsewhere, with consequences that are becoming daily more alarming. Thus the revolt that broke out in August among the Djebel Druses has spread to various other parts of Syria, particularly the State of Damascus, the most populous political division of the country.

BOMBARDMENT OF DAMASCUS

Though the French High Commissioner at Beirut sought to conceal the facts, the world learned on Oct. 20 that the army of occupation had just subjected parts of Damascus to a forty-eight hours' bombardment. Accounts of that operation differ, but it evidently entailed considerable de-

struction of life and property, notably in the Druse and Mussulman quarters. But no foreigners were killed. The immediate pretext for sedition at Damascus was the public display by the French authorities of twenty-four corpses of slain bandits, a traditional practice in Syria, it seems. On this occasion, however, some of the corpses were recognized as being those of local Damascans. By way of retaliation, therefore, the rebels massacred twelve Circassians, men in French service, whose bodies they suspended at the east gate of the city. The Druses attacked especially the shops of the Armenians, accusing them of having sold booty taken from their villages. In truth the Circassian irregulars had done this.

According to authentic reports, the Syrian revolt was fostered by the Turks, who deemed the moment favorable for recovering this part of the territory they lost in the World War. As I have pointed out, such hopes were based largely upon the supposed sentiments of the French Radical Cabinet which, under Socialist pressure, it was assumed, would evacuate Syria without resistance. Another encouragement was Abd el Krim's prediction that France's colonial empire was doomed to crumble, as did that of Spain from 1816 to 1822.

But the Druses and the Turks misjudged the French Government. No doubt many Radicals were inclined to esteem Syria lightly, despite the convictions of such revered colonial apostles as Jules Ferry and Gambetta; but the rejoicing which Abd el Krim's prophecy evoked in the German press sufficed to bring them to their senses. Moreover, the effective cooperation of Spain with France in Morocco bids fair to be imitated, at least as regards moral sup-

port, by France and England in the Levant. Even though, as often in the past, these two powers were still eager to harm each other, a policy of mutual assistance would today be dictated by necessity. For obviously, in this respect, the interests of both countries are identical, since the British could not long hold their dominions if France were to grant hers independence.

The uprising of the Djebel Druses came as a surprise to most foreign observers. Had not General Gouraud and his successor, General Weygand, subdued those proud mountaineers, either by force or by tactful diplomacy? To be sure, General Gouraud, appointed as French High Commissioner late in 1919, had been confronted with grave problems. While pacifying in the North Cilicia, which favored the Turkish Nationalist movement, he had been obliged to combat the Bedouins and to drive Emir Feisal's bandits from Eastern Syria. These freebooters, using as bases such cities as Damascus, Homs and Aleppo, terrorized the entire Lebanon region to the west. But with the rout of Feisal's forces at Khan Meisseloun in 1920, General Gouraud crushed the rebels, thus paving

the way for the triumphal entry of the French into Damascus. And on that day Sultan Atrash, the leader of the Druse "Mountain," was present to pay the French High Commissioner his respects.

Further, within the next year General Gouraud so completely won the Djebel Druses that they acclaimed a French garrison which took up quarters in Soueida, their capital. It is true that Atrash afterward betrayed the French, but was captured. During General Weygand's "proconsulate," then, the turbulent mountaineers evinced for the French a good-will so sincere that the mandatory Government granted them local autonomy, liberating at the same time Sultan Atrash. Somewhat earlier the Western Lebanon region, known in French as "le Grand-Liban" in contradistinction to Anti-Lebanon on the east, had been organized as a separate State, a concession very agreeable to its Christian inhabitants. Consequently, at the recall of General Weygand in January, 1925, peace and security reigned throughout Syria.

Unhappily, his successor seemed bent on offending the Syrians and turning them



P. & A. Photo

Part of Damascus after the city was bombarded by the French



Barricaded street in Damascus with French machine gunners ready for action.

against French rule. But before considering General Sarraïl's blunders, we shall try to find the reason for his appointment. Students of French politics will remember that in the legislative elections of May, 1924, the Radicals and the Socialists dislodged from power the moderates, who constitute the Bloc National, so getting the long-desired chance to place their partisans in office. Accordingly, no sooner had the Herriot Cabinet been formed than it began a wholesale distribution of patronage, shaking the political plum trees with unprecedented violence. Ambassadors, Consuls, Prefects, Subprefects, the judiciary, army officers—all experienced a vigorous "rotation." Within six months the Radical Bloc probably made more such changes than had any five previous French Ministries together.

But where was a place to be found for General Sarraïl, the sole and only "progressive" on the entire list of higher army officers? True, he might have been appointed to some command at home, save for the fact that he would collaborate neither with his equals nor with his su-

periors. A colonial post in Africa, Madagascar, or Indo-China, some thought, should suffice. But only Syria would fully gratify the Radical Left, for only there could they oust an "aristocrat," General Weygand, the savior of Poland, and supposedly an illegitimate son of Leopold II of Belgium.

Questioned in Parliament concerning the unwarranted recall of France's High Commissioner to Syria, M. Herriot stated that General Weygand had certainly filled the difficult post with perfect tact. The Cabinet had no fault to find with his able administration, which had conciliated all interests in Syria, a country famous for factional passions. The Radical Premier simply declared that his Government reserved the right to choose its own officials. In other words, the recall of General Weygand was what the Socialist leader, Pierre Renaudel, termed a "symbolic gesture," intended to revenge the Left upon the Bloc National, a practice which, since the Left came to power, has wrought serious harm to France, one notable example being the spiteful attempt to abolish the French Em-

bassy at the Vatican and to force upon the Alsatians radicalism in Church and State, without the slightest advantage to any one.

But like the provocative selection of M. Caillaux as Finance Minister some months later, the appointment of General Sarrail ended disastrously. Despite the efforts of the Radical coalition to shield its incompetent High Commissioner, Premier Painlevé was obliged to recall him on Oct. 30, but only after he had undone the achievements of his predecessors and ruined French prestige in the Levant. One could scarcely imagine a more convincing illustration of the baneful results of partisan politics.

THE HIGH COMMISSIONER'S BLUNDERS

We now come to the character of General Sarrail's consistent mistakes. At the very beginning he insulted the spiritual leaders of Lebanon by bluntly declining to receive their homage, a traditional practice. The General, it appears, "does not like church ceremonies." At the same time he dismissed for personal reasons General Vandenberghe, the Governor of Lebanon, and requested the Council of that State to designate three candidates, from among whom he would choose a successor. And since the Assembly thought it imprudent to comply with his request, he dissolved that body, whose mandate will not expire before next year.

Such being the situation, General Sarrail

prepared for the Lebanon State a new electoral system and an administrative reorganization, both of which he sought to force upon the inhabitants without the consent of the dissolved Assembly—evidently an illegal procedure. Nor, according to competent critics, were the proposed reforms commendable. Like the ideologists of old, the High Commissioner wanted to sweep away both the indirect method of voting and the time-honored sectarian electoral districts, so establishing at a stroke egalitarian democracy, measures for which the natives are not yet ready. In Lebanon and the remainder of Syria, where political parties do not exist, confessional communities constitute the only reliable basis for representation. True, General Sarrail's aim was in keeping with the Socialist dream that every colony, whatever its stage of civilization, should become an independent republic after the French pattern. As a matter of fact, it is very doubtful if wrangling egalitarian democracy is best even for France, which may shortly be obliged to choose between a stern dictator and chaos.

Not satisfied with creating other needless difficulties, General Sarrail alienated the good-will of the Djebel Druses. I have alluded to previous trouble with those sensitive mountaineers, problems which both Gouraud and Weygand handled with masterly statesmanship. Unfortunately, Wey-



A street in Damascus after the 48-hour bombardment by French artillery, tanks and airplanes



French colonial troops in Damascus, with an armored train in the background

gand's iron hand in a velvet glove had been replaced by Sarraill's erratic hand in an iron gauntlet. To be more specific, Captain Carbillet, noted for his severity in Senegal, was Governor of the Druse "Mountain." Forgetting that he had to deal, not with docile negroes, but with an ancient people jealous of its rights, he applied "the big stick," a policy which roused the ire of the Druses. In consequence, last Summer a delegation of thirty-six notables went to Beirut to ask for their Governor's removal. General Sarraill not only refused to receive them; he placed the leaders under arrest.

To those acquainted with the pride of the Druse grandees it was evident that this stinging insult could be erased only with blood. Hence the sedition that General Sarraill provoked in August in forbidding the Druses to celebrate "Bairam," a religious festival. As a repressive measure, the High Commissioner dispatched to the "Mountain" airplanes, which dropped bombs upon the villages, killing some women and children. Then a small force, consisting of 166 French soldiers and 450 Syrians, started for the scene of revolt, but was surrounded and almost wiped out.

CRISIS LEADING TO BOMBARDMENT

By this time General Sarraill's impatience had reached its climax. Without deigning to inform the French Government, he quickly sent against the mountaineers a detachment of 3,000 men. At some distance behind this force came a convoy of supplies, protected by Syrian and Madagascan recruits. The wily Druses let the detachment pass through the defiles. Then, when the convoy was in the narrows, they assailed this unit from all sides. Since the Syrians and the Madagascans offered almost no resistance, their commander, rather than fall into the hands of the Druses, shot himself. As for the main force it had to retreat amid terrible hardships, with heavy losses.

This disaster obliged the High Commissioner to break his disdainful silence, because he urgently needed reinforcements from France. Besides, it emboldened the Druses and other malcontents. Thus the armed bandits, of whom General Gouraud had ridded the country, resumed their terrorizing raids. To be sure, the troops shot or captured quite a few of them. And General Sarraill apparently hoped that their

fate would cow the wavering population. On the contrary, as I have pointed out, the display of the corpses at Damascus so enraged certain elements that on Oct. 19 the French found it advisable to bombard the city.

Even earlier the rebellion, it seems, had developed according to a well-conceived plan. After the events of early August, which alienated the Djebel Druses (djebel in Arabic means mountain), hostile bands moved toward Damascus. Ten days later engagements occurred at El Kissoue and Ghassoule. At that time the rebels attacked Damascus only from the south. But in the first days of September they approached the city from the north and collisions became more frequent. The insurrectionists early sought to obstruct transportation, making daily assaults upon the railway between Damascus and Ezraa. At the end of September squads of "bandits" (in reality rebels) started operations against the Damascus-Beirut railroad and along the great public highway connecting the same cities. In October, with attacks upon isolated French forces multiplying, the military authorities realized the necessity of concentrating around Damascus, the principal seat of disorder. And shortly after the arrival in that city of forces detached by General Gamelin there broke out a revolt, which gave rise to the bombardment.

Since Oct. 20 the rebels, under the general leadership of Zeid Atrash, a brother of Sultan, have infested the Anti-Lebanon region lying to the northwest of Damascus and east of Lebanon. At an elevation of nearly a mile Anti-Lebanon is traversed by the Damascus-Beirut railroad. Should the guerrillas stop traffic over this line the troops would be obliged to transfer their base to Sidon (Saida), with which they could communicate only by means of inferior roads that cross Hermon at an altitude of 4,000 feet. Hence the recent efforts of the French to rid Anti-Lebanon of insurgents. Unhappily, the Syrian railroads lack equipment for rapid operations. What is more, they are all of different gauge, necessitating endless reloading. Obviously, too, the large force required for guarding lines of communication seriously weakens military operations, particularly

during the rainy season, which began at the end of October.

Oddly enough, the rebels, in sowing ruin with fire and explosives, tell infuriated property owners that they are committing such sabotage by order of the French, who, before evacuating the country, intend to ruin it. Thus by destroying irrigation works the vandals turn prosperous regions into deserts. And it will take years to repair the destruction they have already wrought to railroads, tunnels, bridges and aqueducts—utilities which the French had restored, or created, at great cost since the World War.

FRENCH FACING DIFFICULT TASK

Though the French troops landed in Syria since October are supposed to have swelled the occupation forces to some 40,000 men, their number is still insufficient to restore order and pacify the country. Except for the plucky Circassians from Turkestan and the Cilician cavalry, the French have found native troops undependable. Fearing that France cannot afford to bear for long the expense of this war, her experts urge a decisive campaign before next Spring. In their opinion the Druse "Mountain," where the uprising originated, is the key to the whole situation. At any rate, without the inclusion of that strategic territory—its population numbers only 60,000 souls—no lasting peace for Syria is possible. Some predict that lack of troops will oblige the French to confine their operations chiefly to protecting the larger cities.

While General Gamelin, the officer in charge, impresses experts favorably, they realize that his task will be most difficult, since Syria measures about 270 miles from Anatolia to Palestine, and some 230 from the sea to the Tigris. And who knows whether the Radical Left in Parliament will support him? Much, too, depends upon the policy of Henry de Jouvenel, the well-known journalist designated to succeed General Sarraill. According to his statement, while scrupulously respecting all religious creeds, it will be his aim to promote justice, liberty and prosperity—certainly a commendable program. The appointment of a civilian to the post of High Commissioner indicates the French

Government's desire to make honorable amends for the haughty despotism of M. de Jouvenel's incompetent predecessor. The moral? That the time is no more when the highest posts in France's colonies and protectorates could safely be distributed as party spoils. The exacting conditions of today require efficient servants, not arrogant tyrants.

Quite aside from the ruinous cost of this insurrection, it cannot fail to prove a humiliating blow to France's pride. The protests from the American and the English Governments, evoked by the bombardment of Damascus, their citizens' claims for damage, the despatch of American and Italian warships to Syrian waters, and the ex-

aggerated reports appearing in the foreign press, are all exceedingly unpalatable to the French. Further, France must render account to the League of Nations, next September being the date fixed for her to present a new Constitution for Syria and Lebanon. But already the Druse delegate to the League is seeking the revocation of the French mandate. Even Zaghlul Pasha, leader of the Egyptian Nationalists, who only latterly evinced a fervent admiration for the French, now violently denounces their policy in Syria. Hence the need of quick military action. Will France, weary of politicians and parliamentary wrangling, call a Mussolini to put her house in order?

The Bombardment of Damascus

By REV. ELIAS NEWMAN

Presbyterian Missionary to Damascus.

THE influences and movements at work in Syria that were the direct cause of the Druse rebellion are numerous. The chief cause and, one might add, the direct cause of the rebellion was the ruthless and despotic régime of the High Commissioner, General Sarrail, who appointed men that were what the *Echo de Paris* called "his creatures," and immediately dismissed any man that would not obey him implicitly. The Governor of Jebel El Druse was one of these "creatures," a man of whims and fancies who cared only for the General's likes and disregarded the feelings of everybody else. When Sultan Atrash, the Druse leader, appealed to Sarrail, he refused to listen, and exiled some of the Syrian leaders to Palmyra and imprisoned others.

The actions of Sarrail and his clique soon brought resentment all over the country and much sympathy for the Druses, who are not the savages that they are sometimes pictured, but a brave mountainous people, many of whom are highly educated, some of them even having spent years in America.

The money situation had already caused

resentment all over the country. Syria had much gold before the French took over the mandate, but much of it has gradually passed into the coffers of France and in the place of it we have had the Syrian paper currency, backed by the French franc, which is in a precarious condition and sinking lower and lower.

Spontaneous attempts have been made all over the country to make it uncomfortable for the French and thus induce them to give up the mandate. The present uprising is the sixth of the series of rebellions since France accepted the mandate.

On Oct. 12, 1925, the French Army returned from one of its raids, during which it had burned some villages in which brigands were alleged to have taken shelter. In the returning procession was a caravan of camels and upon each camel the corpses of two dead Syrians, twenty-four in all. These corpses were all dumped into El Merdje, the public square of Damascus, and placed on exhibition all afternoon to the horror and amazement of the population. Most of the dead were young men from Damascus who had joined the rebels. There were consternation, disgust and a

feeling of resentment at this horrible spectacle, and the rebels were encouraged to enter the city. We do not know how many there were, some say 60 and others 500, but they were not many.

THE BOMBARDMENT—ITS EFFECT

On Sunday afternoon, Oct. 18, at 4:30, the bombardment began without the least warning to any one. The heavy artillery was stationed at Mezie, a few miles outside the city to the north, while machine guns and other implements of war were fired from Salhieh.

Our house and church, together with three schools, are situated in the Christian and Jewish quarter. The aim was evidently to destroy the Moslem quarter, but a number of shells struck buildings in the Jewish and Christian quarters and they were demolished. Our girls' school was partially destroyed.

I was on the roof of our house all Sunday night and saw that many fires had started. When I went out the next morning I saw some street fighting near Bab Youma. At 11 o'clock on Monday, Oct. 19, the French troops deserted the Christian quarter and there were no French soldiers in it or in any part of the city outside Salhieh and the public buildings in the Merdje for twenty-four hours. During this time we were entirely at the mercy of Moslems, Druses or brigands, but no harm came to us. The Moslems had placed guards to protect the Christian quarter.

On Monday night, Oct. 19, all the missionaries spent the night in the hospital of the Edinburgh Medical Mission in Kassa, a little way out of the city.

The consuls did not know at first that we had been so miserable and left in the lurch. On every inquiry the American

Consul was informed that we were quite safe and under French protection, but this was not true. We had been left to our fate, together with the entire Christian population.

In the bombardment a part of the Suk Hamidie was destroyed, a large part of Straight Street, the Shaghoar, the Dervishia, all the palaces of Moslem notables on Sidi Amud and the beautiful Beit Azon, headquarters of the French art institute founded by M. Lory. There was considerable looting during the bombardment and for days after it.

How many were really killed we will never find out, as among the ruins and beneath the fallen debris must be hundreds of dead bodies. It is estimated that about 1,500 citizens were killed and several hundred French troops. The French estimates are much less, but they do not include the hundreds of native troops killed. The native troops are being used to a considerable extent, Algerians, Spahis and Senegaliens, besides the Foreign Legion, which is composed of Germans and Austrians and large forces of Circassians, who acted as irregulars and did a good deal of the looting.

What has been the result of the bombardment of Damascus? Are the people cowed into submission after having paid the fine inflicted upon them? Not a bit of it. Some are awaiting the day of complete deliverance. Some are glad that General Sarraill has been recalled and expect better treatment at the hands of France, which as a whole is not held responsible. Some are praying for the Americans to come and others expect the English; while yet others want the destiny of Syria to be put into their own hands.

What has happened is that Western culture and civilization has received a great setback and it will take a long time for the people to forget.

The Bitter Conflict Over Turkish Oilfields

By JOHN CARTER

Formerly in the Diplomatic Service of the United States

TWO events in the last days of November emphasized the intention of the British Government to retain full control of the oilfields in the vilayet of Mosul, the largest unexploited deposit of petroleum in the world. The former province of the Ottoman Empire in which those oilfields lie was occupied by British and Arab forces after the Allied armistice with Turkey was signed at Mudros on Oct. 30, 1918; and the British have ever since maintained there a *de facto* régime by force of arms, without the sanction of any international treaty or the consent of the Turks, who are the legal authorities.

On Nov. 20, Winston Churchill, the British Chancellor of the Exchequer and a protagonist of an aggressive British oil policy, stated categorically, in reply to a question in the House of Commons, that the British Government had no intention of selling its controlling interest of 5,000,000 shares in the Anglo-Persian Oil Company. Until last March this Government-controlled concern owned 50 per cent. of the stock of the Turkish Petroleum Company, Limited, which on March 14 obtained a concession from the British-controlled Iraq Government, looking to an effective monopoly of the Mosul oil deposits. The claim of Iraq to political control of Mosul has been vigorously pressed by British Colonial officials in accordance with the Anglo-Iraqi Treaty of 1923. Although half of the Anglo-Persian Company's holdings in the Turkish Petroleum Company was offered to and accepted by an American oil group last March, difficulties have apparently arisen in the method of American participation, and a recent statement of the assets of the Anglo-Persian Oil Company noted no reduction of this 50 per cent. interest in favor of the American group. There is certainly no serious question of freezing out the Ameri-

cans, in view of the lengthy series of diplomatic notes in regard to oil between Washington and London, yet Mr. Churchill's statement may be fairly interpreted as implying that the British Government will give full support to the contract between the Iraq Government and the Turkish Petroleum Company, a contract, be it noted, of more than doubtful validity in view of the antecedent Chester Concession, negotiated with the Angora Government by a purely American group, at a time when Turkey still possessed full *de jure* sovereignty over Mosul.

That an attempt will be made to legalize the British *de facto* régime is shown by the decision of the Permanent Court of International Justice at The Hague, on Nov. 21, in answer to two questions referred to the Court last September by the Council of the League of Nations. This decision was so markedly in favor of the British thesis regarding Mosul, so extensive an amplification of what the Turks conceded at Lausanne, that it ranked as a piece of judicial thimblerrigging comparable to the great formulative decisions of the early days of the Supreme Court of the United States. In effect, the Court decided, despite Turkish protest, that the Council of the League had full power to settle the Mosul question whether the Turks agreed or not.

Article III., Part 1, of the Lausanne Treaty (signed July 24, 1923) declares: "The frontier between Turkey and Iraq shall be laid down in friendly arrangement to be concluded between Turkey and Great Britain within nine months. In the event of no agreement being reached between the two Governments within the time mentioned, the dispute shall be referred to the Council of the League of Nations." The Turkish delegates believed

that in this they were giving up no essential rights, as under the covenant decisions of the Council are only advisory, and as Lord Curzon promised the Turks that they should have a vote in the Council when the matter came up for consideration. Needless to say, the two parties to the dispute, Great Britain—acting on behalf of her mandate Kingdom of Iraq—and Turkey, were unable to agree. Last Spring the Council sent out a Boundary Commission to investigate and report. The commission reported in a sense favorable to Great Britain, though urging that Mosul be given to Iraq only if the mandate were extended for twenty-five years. Hence Colonel Amery, the British Colonial Secretary, has been in the peculiar position of protecting Iraq interests in Mosul, by virtue of a treaty between Great Britain and Iraq which specifically provides for the termination of the mandate in 1928, while contemplating the abrogation of one vital clause of this treaty in order to execute another clause.

Last September the Turks found themselves in difficulties at Geneva. The British opposed allowing the Turks to vote on the Council; they insisted that, if the Turks voted the unanimous consent ruling under which the Council functions must be abrogated; the Turks declared that the Council's decisions must be arbitral, not mandatory. After a heated discussion, during which both the British and the Turks announced that they would not abide by an unfavorable decision, these matters were referred to the World Court. The Court's interpretation of the words in the Lausanne Treaty, "the dispute shall be referred to the Council of the League of Nations," was generally subversive to

the Turkish view. The Court ruled:

That the "decision to be taken" by the Council of the League of Nations, in virtue of Article III, Paragraph 2, of the Treaty of Lausanne, will be binding on the parties and will constitute a definitive determination of the frontier between Turkey and Iraq.

That the "decision to be taken" must be taken by unanimous vote—representatives of the parties taking part in the voting being not counted in ascertaining whether there is unanimity.

In short, the Council was to assume the functions of the old Concert of Powers, shorn of the diplomatic necessity for agreement by the parties to the dispute under which the Concert operated. Turkish reluctance to envisage this situation is understandable when one recalls that every discussion of the Near Eastern question by the Concert of Europe, save that of 1856, removed some portion of the Ottoman Empire from Turkish dominion. The Council's limitations are altered where they would aid the Turks; they are affirmed where they would hurt the Turks. While hailed in London and Angora as a



Map of Iraq (Mesopotamia). The territory in dispute between Turkey and Iraq lies to the north and east of the City of Mosul

victory for the British position, the decision was more properly regarded as an attempt by the Court to buttress the prestige and authority of the League, its original source.

The Mosul question has yet to come before the Council of the League of Nations, and it will be interesting to see what the decision will be. Both in a political and military sense Mosul is the key to the Arab east, and it is a key which neither France nor Great Britain can afford to return to its rightful owner. Mustapha Kemal is credited with ambitions to reassert Turkish influence in the Middle East. While Mosul is in British hands these ambitions will be ineffectual.

American interest in Mosul centres about the oil controversy, and is inclined to ignore the genuine grand strategic principles, apart from oil, which govern British policy at that point. To a large extent British oil interests have succeeded in identifying British policy with their aspirations. Yet of the two oil groups involved the Turkish Petroleum Company is now less than half British, and the Chester interest is not British at all. The Turkish Petroleum Company represents an admixture of private British, Dutch, French and American capital, with a 5 per cent. beneficiary interest in favor of C. B. Gulbenkian, who originated the corporation. The Ottoman-American Development Company, the Chester creation, represents only a valid contract and an aspiration. Actually, the two companies are not diametrically in opposition, and inasmuch as the report of the League's Boundary Commission acknowledged the legal sovereignty of Turkey, the Chester contract should be good even under the Government of Iraq.

THE CHESTER CONCESSION

The Chester Concession, formally ratified by the Grand National Assembly on April 11, 1923, affects Mosul, through the contract for a railway from Bitlis to Mosul-Kirkuk-Suleimanieh. The contract gives the concessionnaires mineral rights (including oil) in a belt of twenty kilometers on each side of the right of way. In passing it should be noted that the sole effect of the ratification by the United States Senate of the Treaty of Amity and Commerce nego-

tiated by Admiral Bristol at Lausanne in 1923 would be to protect the Chesters in the event of abrogation of their contract by the Turkish authorities. The rights of the Turkish Petroleum Company, Ltd., rest squarely on the convention signed between the company and the Government of Iraq on March 14, 1925. The clauses of this document are drawn so as to provide for a supplementary convention for any territories to be assigned to Iraq by pending or future frontier adjustments, and there is a degree of elasticity in the terms of the contract which afford a method of adjustment between the two interests.

Behind these two documents lies a romantic story, part of which has already been told and the whole of which constitutes both an epic of and a commentary on modern diplomacy. The appearance of Admiral Chester at Constantinople in 1909 provoked one of the bitterest diplomatic struggles of pre-war days, and was the signal for a great reconciliation of German and British interests in the Near East for the purpose of excluding American enterprise.

The German interest in Mosul began in 1904, when, by virtue of a clause in the Bagdad Railway Convention of 1903, an agreement was signed between the Anatolian Railway Company and the Ottoman Civil List providing for mineral rights in the Mosul area, with an option for two years. The option was not taken up, and at the end of that period was offered to a German syndicate, which declined it. Oil concessionary rights were then under the Sultan's Civil List (firmans of 1889 and 1898 having effected the transfer), and much of Mosul vilayet belonged to the Da'irat es Saniyeh, the estate of the Sultan's Privy Purse. After the Young Turk Revolution of 1908-9, the rights were transferred to the Ministry of Finance, and the Da'irat es Saniyeh to the Public Domain. Ratification by Parliament became necessary for all concessions. The new dispensation gave a veneer of constitutionality to the risky sport of concession-hunting in the Near Eastern preserve, attracting British and American interest in the resources of the Ottoman Empire, where hitherto the Deutsche Bank and German diplomacy had been supreme.

Despite bitter opposition, two definite American schemes materialized. A proposal (1908-9) by Dr. Bruce M. Glasgow to construct an Anatolian railway system in the Eastern vilayets received favorable attention. However, before Dr. Glasgow could mobilize financial support, the authorities turned to the more attractive proposal of Rear Admiral Colby M. Chester, who acted with the joint support of the American Departments of State and Commerce, the New York City Chamber of Commerce and the New York State Board of Trade.

In the Summer of 1920 the entire official correspondence between Berlin and Constantinople regarding the German fight against Chester fell into the hands of Sir William H. Ramsay, the British archaeologist, who prepared a digest of this extremely interesting material. The Germans fought the Americans with diplomacy, an international press campaign and finance, but were gradually forced into the alliance with the British interests, which culminated with the unratified Grey-Lichnowsky agreement of June 15, 1914. A cardinal point of this rapprochement was the formation, in 1911, of the Turkish Petroleum Company, Ltd.

The German documents consist of seventy-four letters and telegrams exchanged between Dr. Arthur von Gwinner, General Managing Director of the Deutsche Bank and President of the Anatolian Bagdad Railway Company; Herr Huguenin, the railway's Director General in Turkey, and the late Dr. Karl von Helfferich, then a director in the Deutsche Bank and one of the foremost advocates of German commercial imperialism. These papers, which are known as "Cospoli"—from the abbreviation used for "Constantinople" in the correspondence—deal extensively with the Glasgow-Chester schemes, tell how the great British firm of Whittall was used as "francs-tireurs" against the Americans, how German spies eavesdropped at the Sublime Porte, and how a German-controlled press in Constantinople carried on a campaign against Chester. The gradual admission by the Germans that their claim to Mosul oil did not then rest on a legal basis is a cardinal point in the correspondence.

At first the Germans regarded the Amer-

ican plan as "a feeler on the part of the Standard Oil, Morgan and some others." Whittall was induced to request the British Ambassador to protest, in return for which Von Gwinner promised to grant 25 per cent. to the French (Ottoman Bank—Baron Rothschild), and to halve the remaining 75 per cent. with the British, whereupon Gulbenkian, a director of the National Bank of Turkey, offered a plan for a Turkish petroleum monopoly which the Germans declined as "framed with insufficient knowledge and quite unworkable."

GERMAN OPPOSITION

On May 30, 1910, "Cospoli" informed Berlin that Chester was pushing his scheme with great energy, that ratification by Parliament was assured, and that the German Ambassador, Marschall von Bieberstein, had been asked to "hurry up and stop further progress." When Chester returned to America to raise money, the Germans announced that the "Chester scheme has withered," secured an opinion from Jules Dietz, a French lawyer, that the Chester concession violated the Bagdad Railway concession, and hinted to the Turks that the whole idea was a Zionist intrigue, as the following extracts from the "Cospoli" correspondence show:

Dec. 4, 1911. Cospoli to Berlin. Confidential. The Minister, Houloussi Bey, is anxious to know what members of the American-Ottoman Development Company are of Jewish faith.

List is as follows: Franklin Remington, Edmond C. Converse, John R. MacArthur, Charles A. Moore, James L. Laidlaw, Colby M. Chester, Arthur T. Chester, Frederick S. Greene, Laidlaw & Co., Colby M. Chester Jr., Arthur F. MacArthur.

Four days later the dazed Von Gwinner replied:

We cabled New York and learned that none of the group is Jewish. What can be the meaning of this extraordinary question? We had thought Kuhn, Loeb & Co., a great Jewish bank, supported the Chester project, and we learn on good authority that Kuhn, Loeb & Co. is in manifold and intimate business connections with the Standard Oil Company. That may perhaps have something to do with the withdrawal of the Chester group. But all this is uncertain supposition on our part. Nothing certain is known to us.

Shortly before this exchange, the outbreak of the Turkish-Italian War over

Tripoli led to the definite adjournment (Nov. 26, 1911), in a favorable sense, of the Chester project, until the end of hostilities. Owing to the Balkan Wars, the World War and the Greco-Turkish War (1919-22), these were not to cease effectively for over ten years.

BRITISH-GERMAN AGREEMENT

With the lapse of Chester's effort, British and German interests, which had been menaced by his threat to their ascendancy in the Near East, co-ordinated their operations. In March, 1914, shipping interests in Mesopotamia were adjusted by agreement between Lord Inchcape, John F. Lynch and the Bagdad Railway. In the same month Sir Henry Babington Smith, President of the National Bank of Turkey (one of the ventures of Sir Ernest Cassel, the close friend of King Edward VII), brought forward Gulbenkian's Turkish Petroleum Company. On March 19, 1914, an agreement was signed at the British Foreign Office assigning 50 per cent. of the shares, after the capital had been increased from £80,000 to £160,000, to the D'Arcy Group (Anglo-Persian Oil Company), 25 per cent. to the Deutsche Bank, and the remainder to the Anglo-Saxon Petroleum Company (Royal Dutch). Provision was made for Mr. Gulbenkian, who was given a 5 per cent. beneficiary interest in the new company without voting rights, this interest being contributed equally by the D'Arcy Group and the Anglo-Saxon Petroleum Company. The agreement bound the participating companies: "not to be interested directly or indirectly in the production or manufacture of crude oil in the Ottoman Empire in Europe and Asia, except in the part which is under the administration of the Egyptian Government or of the Sheikh of Koweit, or in the 'transferred territories' on the Turkish-Persian frontier, otherwise than through the Turkish Petroleum Company." The signatories were R. von Kuhlmann for the Imperial German Government, Sir Eyre A. Crowe for the British Government, Sir Henry Babington Smith for the National Bank of Turkey and the representatives of the three companies for their respective concerns.

Joint representations by the British and German Ambassadors to the Porte were promptly made to the Grand Vizier, who confirmed the grant of oil rights to the Turkish Petroleum Company, but the Turkish Parliament did not have time to ratify the concession before war broke out. The next step of importance took place in November, 1915, when the Turkish Government informed the D'Arcy Group that their claim on Mosul was void. But the British authorities had anticipated this action, for Lord Crewe, the Viceroy, had sent Indian Expeditionary Force "A" to occupy Basrah, then under Turkish sovereignty, six weeks before a state of war existed between Great Britain and the Ottoman Empire. Subsequently General Nixon was ordered only to respect the neutrality of Persia so far as "military and political exigencies permitted." These facts show the extent to which the British Government was prepared to go in protecting the property and claims of the Anglo-Persian Oil Company.

After the war the British Government took up the claims of the Turkish Petroleum Company and awarded the Deutsche Bank's quarter interest to the French Government (San Remo Agreement, April 24, 1920; Anglo-French Agreement, Dec. 23, 1920). This, however, excluded American interests and made an American protest inevitable. On Nov. 25, 1920, Secretary of State Bainbridge Colby wrote his famous note to Lord Curzon protesting against this violation of the open door principle. The British Government then based its rights upon the incomplete agreement reached in 1914 already mentioned. The Government of the United States pointed out that the Grand Vizier had no legal power to transfer concessionary rights from the Ministry of Finance to the Turkish Petroleum Company. The British Government countered that the Turkish Ministry of Finance had agreed to the lease; but the United States Government insisted that the lease in point of fact had never been negotiated, and the British Government was invited not to recognize the claims of the Turkish Petroleum Company. With minor variations, this controversy was kept alive by successive American Ambassadors in London.

At length, early last Spring an American group was granted a 25 per cent. interest in the Turkish Petroleum Company, owned in equal parts by the Mexican Petroleum Company, the Gulf Refining Company, the Atlantic Refining Company, the Sinclair Consolidated Oil, the Standard Oil Companies of New York and New Jersey, with the provision that the Anglo-Persian Oil Company, which had halved its holdings with the American group, should receive in return a 10 per cent. oil royalty. At the same time, the Turkish Petroleum Company abandoned its claim to an exclusive exploitation of the oil deposits and shifted the basis of its rights in Mosul from the incomplete 1914 negotiations. On March 14, 1925, the company signed an agreement (Oct. 11, 1922; April 30, 1923) with the Government of the now semi-independent Kingdom of Iraq, thus acquiring title which rests entirely upon the competence of the Iraq authorities and deprives the British Government of any official interest in the oil dispute as such. In the same month of March the Ottoman-American Development Company refused an offer of £25,000,000 from a British group for the entire Chester Concession.

The instrument which now defines the status of the Turkish Petroleum Company in Iraq, stripped of the usual subsidiary and regulative clauses, covers the following cardinal points:

(1) Exclusive oil rights in defined areas, for seventy-five years, at the end of which all the company's property shall revert to the Government of Iraq free of charge.

(2) These rights to apply to all Iraq, except the transferred territories and the former vilayet of Basrah, provided that as soon as the territorial limits of Iraq have been determined a supplementary convention expressly delimiting the defined area shall be executed.

(3) Geologic survey within eight months; within thirty-two months selection by the company of twenty-four rectangular plots, each of an area of eight square miles; drilling operations within three years.

(4) Annual selection by the Government, after four years, of a minimum of twenty-four similar plots, to be offered for competitive bids to all responsible firms, corporations and individuals, including the Turkish Petroleum Company.

(5) Royalties to the Iraq Government: 4 shil-

lings per ton on net oil production for twenty years after the completion of pipe line; afterward to be based on market value of oil over ten-year periods; twopence per thousand cubic feet of natural gas.

(6) The company to remain a British company registered in Great Britain, and its Chairman to be at all times a British subject. The English version of the agreement to prevail over the Arabic.

The contract was signed by Muzahim Beg Al Pachachi for the Iraq Government, and by Edward Herbert Keeling, for the Turkish Petroleum Company.

COMPANIES' CLAIMS

The call for a supplementary agreement on Mosul, the system of selection of plots by the Turkish Petroleum Company, and the subsequent annual offer of plots for sealed bids provide a clear method of adjustment between the Chester group and the Turkish Petroleum Company, should moderate counsels prevail. The Ottoman-American Development Company can construct its railway through the heart of the oil area, irrespective of the League's ultimate award. It is, it claims, only prevented by the presence of British troops, by British oil-drilling operations, and by the survey conducted by the Turkish Petroleum Company, all under the protection of the de facto authorities in the area. Claims for damages against Great Britain have accrued to a total figure of over £50,000,000. There is, however, no reason to suppose that such claims will be pressed. The Chester railway cannot cover all the oil-bearing territory in the vilayet, even if there is no reason why it should go out of its way to avoid any oil-producing area. In short, there is plenty of room for give and take between the two companies.

The fact that Mosul is of great strategic import to British military and political commitments in the Middle East is no longer likely to have any decisive bearing on the not irreconcilable economic aspirations of the Ottoman-American Development Company and the Turkish Petroleum Company, Ltd., once the Council of the League has legalized the British determination to retain control of the area in which they must realize their ambitions.

America's Economic Supremacy

Frank Admission by British Industrial Leaders

By F. VERNON WILLEY and GUY LOCOCK

President and Assistant Director, Respectively, of the Federation of British Industries*

EVERY one knows of the wealth of the United States, but it is to be doubted whether it is fully realized in Great Britain how overwhelmingly vast that wealth is today. The following figures show the percentage of American production or resources as compared with world production and resources in certain commodities or services:

American Percentage of
Total World Production
or Resources.
Per Cent.

Coal production	43.5
Petroleum production.....	71.9
Cooper production	52.7
Pig-iron production	60.2
Steel ingots and castings production.....	59.8
Wheat production	21.3
Cotton production	52.0
Lumber production	52.6
Automobiles registered	82.7
Telephones and telegraphs	57.8
Railroads	33.9
Rubber consumption	70.9

When one considers that these percentages of production or ownership apply to a country whose population, large as it is, formed in 1922 only 6.2 per cent. of the total population of the world, it is easy to grasp what a high level of individual prosperity is enjoyed by the United States. That prosperity extends through all classes, and we would give the two following examples of different ends of the social scale. Last year seventy-four people in the United States had net incomes of over £200,000. Turning to the working classes, we noticed, when visiting a garage in Washington, that there were over fifty Fords and similar cars parked round it. We learned that these were the private cars of taxicab driv-

ers, practically all of whom drive to their work in the morning in their own private car. Another good index of the prosperity of the nation is to be found in the returns of the savings banks, which have doubled in the last seven years.

2. *General Business Conditions*—The general trend of business is highly satisfactory and there is no indication of any slackening in the volume of trade. It is expected that the next year will see all records broken and that a prolonged period of prosperity is in front of the United States. One of the chief reasons for this state of affairs is that, owing to the rise in the price of agricultural produce, there is a better price relation between agricultural products and manufactured goods than for many years past.

Although the position is intrinsically sound there are one or two features which may cause trouble later on. Building has progressed by leaps and bounds, and in the thirty-six Eastern States new construction has in the last eight months been 25 per cent. greater than last year. If this rapid increase in building continues there may be overproduction, resulting in an unprofitable tie-up of capital. Furthermore, the speculation in real estate, especially in Florida, and the great development of the hire-purchase system (to both of which further reference will be made later in this report) contain elements of danger if carried much further. However, at the moment there is no cloud on the horizon, and the country is enjoying unbounded prosperity.

Turning to individual industries, one notes that the cotton goods industry is distinctly on the up-grade, and the mills have larger forward orders than for many months past. Woollens are not so active, apart from the seasonal demand. In the silk and rayon industries the activity is

*Report on Visit to the United States of America by Colonel the Hon. F. Vernon Willey and Mr. Guy Locock. London: The Federation of British Industries.

phenomenal. The rayon industry in particular is progressing rapidly, and the production this year is likely to be four times as great as in 1924. The soft coal industry is benefiting from the strike in the anthracite fields, which shows little signs of settlement. The strike, which is being waged with a remarkable absence of bitterness, seems to have had little effect so far on the national life, and appears to possess so little "news value" that it is comparatively rarely mentioned at all in the papers. In August an upward turn took place in the steel industry, which had been suffering from decreasing output from April to July. In August the production of steel ingots was 3,424,000 tons as compared with 3,087,000 tons in July. Forward orders are reported as satisfactory, especially for rails and railway equipment. The automobile industry has had a slightly decreased output for the last two months, owing to a temporary diminution in the Ford output, due to that company bringing out a new design, but the years' total output will be larger than last year, and will probably reach the total of 4,000,000 cars, as in the record year of 1923.

The weather has been generally favorable to the crops, and although the wheat yield is not so great as was at one time expected, prices are satisfactory. There have been great divergencies of opinion as to the yield of the cotton crop, but it was generally believed when we left America that the crop would amount to close on 14,000,000 bales, as compared with 13,640,000 last year. Since then the official estimate has risen to the record figure of 15,250,000 bales. The live-stock position is extremely satisfactory and producers are doing better than for several years.

The above is a very general survey of current business conditions, and we would now propose to touch on the question of American production, especially the production of manufactured goods.

3. *American Production*—Since 1900 the rise in the volume of production has been general, but it has been seen more particularly in manufactures and mining, and less in agriculture. Between 1900 and 1923 the rise in mining production was 269 per cent., in manufacturing 185 per cent., and

in agriculture only 35 per cent. An index of the intense present activity is the figure of freight-car loadings for August last, which amounted to 4,220,000 cars, or 22 per cent. above the figures for the year 1919, which was a year of great prosperity. Although agriculture has not developed to the same extent as mining and manufacture, a great deal of the present prosperity may be attributed to the large increase in the value of the crops last year; it is estimated that as a result of the hardening of world prices the value of the five principal crops of the U. S. A. in 1924 was up by 150 million pounds.

Today the position appears to be as follows: Enormous plant developments have taken place during the last few years, partly as a result of the war. When the slump came there was widespread over-capacity, but a remarkable recovery has been made toward maximum output. In 1921 the maximum possible output of all manufactures was \$74,000,000,000, but the actual output was only \$42,000,000,000, or 57 per cent. of the maximum. In 1923, the latest year for which figures are available, the maximum possible output was \$83,000,000,000 and the actual output \$60,000,000,000, or 71.3 per cent. of the maximum. It is believed that since 1923 further progress has been made toward maximum output and that probably the percentage is now over 75 per cent.

The era of intensive factory construction is over, as is evidenced by the proportion of industrial as compared with private building. In 1920 industrial building was 23 per cent. of the total building activity, while residential building only accounted for 22 per cent. In 1923 the figures were: industrial building 10.8 per cent., residential building 45.1 per cent. This shows clearly that new industrial construction has slowed down and that the bulk of the present day building is due to the prosperity of the individual and the rapid increase in house-ownership. While it is thus clear that the rate of increase of production capacity has diminished, we must remember that the present maximum capacity is enormous, and that there is certainly 20 per cent. and possibly 25 per cent. margin for expansion, and also that there is a nation-wide striving for efficiency and

improved methods of utilizing existing plant and keeping up to date.

The question is: How are the interests of British industry likely to be affected by this vast American capacity for production? Is there any prospect of a halt in American prosperity? Are the United States likely to become more and more an exporting power? What is the probable future level of prices in the United States?

Before attempting to answer these questions it is proposed to deal briefly with the American financial position, which is intimately connected with them.

4. *The Financial Position*—The financial position in the United States is undoubtedly sound and the banking system established by the Federal Reserve act has thoroughly justified itself. The following are several features of interest in the present financial position:

In the first place the position of banks and of industrial corporations is extremely liquid, due mainly to two causes. Firstly there is now comparatively little capital expenditure on plant, and, secondly, the financial burden of carrying large stocks has been greatly reduced, owing to the policy of hand-to-mouth buying, and direct sales to the consumer. The great increase in the efficiency of means of transport has been a potent factor in the reduction of the stock position, and the mail order system, which maintains a steady flow of business, tends in the same direction.

During the last four years the railways have spent \$2,849,000,000 on capital expenditure for new equipment and improvements, and it is estimated that the rapidity of freight transportation has increased at least 35 per cent. In 1915 the average daily car-mileage was 10 miles; in 1924 it was 27. The greatly increased efficiency of the railways has, by facilitating the rapid distribution of goods, released large financial resources which formerly were tied up in stocks.

The development of the mail-order business has been very striking. For the last three years there has been a steady rise in gross sales and net profits with a decrease in the profit percentage. In 1924 Sears Roebuck made gross sales of \$222,000,000, net profits of \$14,250,000, and a profit of

6.5 cents on the dollar of sales, and other firms are similarly showing progressively satisfactory results.

The net effect of the increased rapidity of distribution by the railroads and the development of the mail-order business has tended greatly to restrict the operations of the American wholesaler as a carrier of stocks, and to transform these activities into those of a broker. It is, moreover, believed in many circles in the United States that the development of the direct to consumer sales policy will, by preventing stock accumulations, tend to minimize future fluctuations of the trade cycle, but it is felt that it is premature to pronounce definitely what the results will be in this respect.

Another interesting question, especially from the European point of view, is the foreign investment position, which is shown by the following table:

	U. S. Investments in Foreign Countries. (In Millions of Dollars.)	Foreign Investments in U. S.
1896-1914 annual average.	53	105
1920	1,445	674
1923	444	410
1924	959	364

The rise from the pre-war annual average to the peak of 1920 was phenomenal. From that year to 1923 inclusive there was a steady decline, but 1924 witnessed a sudden and substantial increase. There is no doubt that, since foreign interest rates are attractive, American money will tend to flow abroad, provided the present feeling of uneasiness as to the political future of the world, and especially of Europe, can be overcome. The accumulated wealth of the United States is so great that they will be driven by force of circumstances to follow increasingly a foreign investment policy.

The distribution of American investments abroad in 1924 is of interest:

Latin America	44 per cent.
Canada, Newfoundland.....	27.1 per cent.
Europe	20.9 per cent.
Asia	7.6 per cent.

In Latin America and Canada the bulk of the investments are private investments. In Europe 79 per cent. are governmental obligations.

From the point of view of the reconstruction of Europe it is unfortunate that Ameri-

can money has of late tended to flow toward such enterprises as Government and municipal issues, rather than toward productive enterprises which would be of more direct benefit to the borrowing country. We believe that this point is not being lost sight of by American financial interests. Our visit to the United States coincided with the negotiations over the French debt. The result of those negotiations was a profound disappointment to American opinion, and in our belief France will find it very difficult to raise credits in the United States unless she is prepared to come to a definite settlement. As things are at present French issues, whether governmental or private, would not appeal to Wall Street or to the American investor.

Turning to the domestic investment situation in the United States, two facts at once strike one. Firstly, there has been an immense appreciation in capital values, and with the large amount of spare capital available capital values are likely to be maintained. This capital appreciation has, however, undoubtedly faced American industry and commerce with the problem of how to maintain an adequate return on present capital values, and this is a very powerful incentive to increased efficiency. Secondly, there have recently been a series of land booms, and a boom of the first magnitude is occurring in Florida today, where enormous profits are being made. An instance came to our notice where a property bought early this year for \$61,000 was sold three months later for \$600,000, and there are scores of cases similar to this.

The inflation of capital values and the Florida land speculation contain elements of danger, and a reaction must obviously set in. It is, however, important to realize that the present investment or speculation activity is not being financed to any large extent by the banks, but represents the investment of private money, and the utilization of the rapidly growing reserves of individuals. Such danger as exists in the situation is therefore not so grave, or so likely to cause dislocation of business on a reaction, as would be the case if the movement were a purely speculative one financed by hypothecating assets.

5. *Efficiency of Production and Price*

Levels—The extent to which the vast industry of the United States will develop, and the general trend of American prices, vitally concern British industry. We propose to examine first the causes which are driving American industry to a constantly increasing efficiency, and the relation of this problem to the question of price levels, and, secondly, the extent to and means by which efficiency is being increased.

American industry is faced today with increased capital values and the necessity of earning a return on them. Normally one would have expected that the enormous influx of gold into the United States would have tended to raise prices substantially by forming the basis of credit expansion, and that the undoubted strength of the demand for commodities would have operated in the same direction. This, however, has not been the case, and American prices have not risen as anticipated. The explanation generally given is that the American gold reserves have been "sterilized" and have not as a matter of fact been used to the full to create credit. Moreover, during the last two years there has been a spirit abroad among the consuming public in the United States, which is often referred to as the "consumers' strike." In other words, the producer has been unable to raise his prices, because if he did so he could not sell his products.

The failure of American prices to rise as predicted is all the more remarkable in view of the enormous extension of the deferred payment system, which of course operates toward creating credit in the present by anticipating the future, and may be said to be a species of inflation. The deferred payment or instalment plan of business has increased by leaps and bounds, and includes now not only automobiles, furniture, pianos, &c., but every range of commodities, including clothes, radio sets, and even paint for the house.

The financial risk is not taken by the producer, but is insured, and special finance corporations have been formed to undertake this class of business, which is widely reinsured. It appears to be the general opinion that the instalment system is sound business, and that its great extension in the United States has contributed substantially to the existing prosperity.

The system has certainly acted as an incentive to work, in view of the necessity of keeping up regular payments, and the chief danger in it would appear to be that in a trade reaction considerable losses would be incurred, and also that since the requirements of the future would have been so largely anticipated by this system, people would hold off buying for longer than a normal period and thus accentuate the depression. However, there seems little danger of this at present, and we would suggest that in view of present conditions in Great Britain it might be well worth the while of British business to examine the possibility of extending this system in England to the extent to which it operates in the United States.

As stated, the instalment system has not caused any substantial rise in American prices, although normally it might have been expected to do so.

The underlying explanation of this phenomenon is generally stated to be that the increasing efficiency of production in the United States has stopped a rise in the price level, and that producers are holding their position by means of lower percentage profits on a greatly increased output. It was frequently stated that it was only by the means of increased efficiency that American industry could hope to maintain and improve its position. If this be true—and we heard opinions expressed both for and against—any rise in American prices seems unlikely, which is a very grave prospect for Great Britain, whose financial policy has been largely based upon the belief in a rise in American prices. It is clear that there will be temporary fluctuations in prices, and that some of these fluctuations may be upward, but from the most authoritative sources we gathered that the long-time trend of prices is not likely to be upward, and may even be slightly downward. The financial authorities, and indeed the Government itself, are certainly strongly opposed to any rise in price levels and, if necessary, concerted action would be taken should such a possibility seem imminent. It is of course open to question how long prices could be artificially prevented from rising, but American opinion seems confi-

dent that such a policy would be successful.

6. American Taxation—One hears many complaints in the United States of the high taxation, both Federal and State, but as a matter of fact the burden of taxation cannot be compared to that shouldered by the British taxpayer. It is always difficult to estimate accurately the respective burden of taxation in two countries with somewhat dissimilar systems, but it is probably accurate to say that American taxation is not more than 60 per cent. of British. Moreover, American national finance will show a very substantial surplus at the end of the present financial year, and a considerable reduction in Federal taxation is certain. Opinions vary as to the amount, but in all probability it will be between \$300,000,000 and \$350,000,000, which will be a substantial benefit to American industry and will undoubtedly still further stimulate the existing prosperity.

Forecasts of the probable direction in which reductions will be made include the following items: (1) Reductions of the combined income and super-tax to a maximum figure of 25 per cent.; (2) repeal of Federal estate duties; (3) reduction of the corporation tax; (4) repeal or reduction of taxes on automobiles and of the entertainment tax.

Finally it is expected that the law by which individual tax returns are published will be repealed, and the amount paid by a man in taxes kept secret as in our country.

If these tax reductions take place—and there is every probability that they will—we in Great Britain should realize that American industry will be placed in an even stronger position than it enjoys at present.

7. State of Efficiency in the United States—To estimate the increase of efficiency in American production would mean an exhaustive study, but we would lay stress on certain salient facts which indicate the present position.

Taking 100 as the index number for production, labor and installed power in 1899, the following index numbers show the position at the end of 1921 and 1923:

	1921.	1923.
Installed primary power.....	310	336
Volume of production.....	200	285
Number of wage earners....	150	190

In other words production has through increased efficiency increased much more rapidly than the number of wage earners employed.

Again, taking the period of 1914-23, for a given volume of production the number of wage earners declined by 23 per cent. and the power utilized by 12 per cent. These figures show clearly the increased output per head and the improved utilization of power resources, and are a striking tribute to the efficiency of American production.

Another instance of improved efficiency is given by the railways since the date on which they reverted to private ownership, and it is of particular interest as showing the progress made since the railways reverted to private control.

	1919-20. State Control.	1924. Private Control.	Percent- age Re- duction.
Pounds of coal used per 1,000 gross freight ton miles.....	197	170	13.7
Loss and damage to freight.....	\$119,000,000	\$41,000,000	62
Principal items of freight train costs per 1,000 gross ton miles.	\$1,424	\$1,007	29.3

These startling results, which have had a great influence on the trade of the country, have been made possible by up-to-date equipment and by greatly increased efficiency of operation. It is interesting to note that in the case of freight the cost of the trainmen employed has fallen from 24.3 cents per 1,000 gross-ton miles to 18.4 cents, and the cost of train engine men from 20.7 cents to 15.7 cents. In the last ten years the volume of railway freight has increased by 25 per cent. while the number of employes has remained stationary. Equally striking is the position in agriculture, where it is estimated that in the last decade the number of farmers on the land has decreased by 2 per cent. while the volume of production has been increased by 25 per cent.

We trust that the foregoing is sufficient to prove the reality of American production efficiency. The question remains, how has that efficiency been attained? The reasons generally accepted in the United States appear to be the following:

1. The spread of education both general and technical. There is no doubt that the general level of technical education today in the United States is extremely high, and ample facilities are available for any one wishing to increase his efficiency by technical study. As showing the great increase in the spread of higher education it is significant to note that there are now 500,000 university students, as compared with 200,000 students ten years ago.

2. The labor situation. The salient points about the labor situation are: (a) Restriction of immigration; (b) high wages; (c) unrestricted output and the utilization of labor-saving devices; (d) the satisfactory relations between employers and employed.

The policy of restricting immigration is fundamental and is based on two grounds, one political and one economic. The political reason is the following: In 1880, of the foreign-born population of the United States 83 per cent. came from the Northern countries such as Great Britain, Scandinavia, Germany, Holland, and so forth, and only 17 per cent. came from Central and Southeast Europe, Russia and countries outside Europe. By 1920 conditions had totally changed, and 60 per cent. of the foreign population belonged to this latter group of countries. Whether rightly or wrongly America was not prepared to accept this change in the racial proportion of her immigrants, and since selective immigration is a matter of great difficulty and is likely to cause serious international complications, she has adopted a policy of widespread restriction based on the quota principle, and this system she will undoubtedly maintain.

The economic reason is based upon a firm determination to maintain the present high standard of living in the United States, and is intimately connected with the question of high wages and unrestricted output.

The American employer believes in high

wages, and he pays them. But he also believes in high output, and he sees that he gets it. In view of the shrinkage in the stream of immigration, and therefore more particularly of the pool of unskilled labor, it is becoming more and more important for labor-saving devices to be used to the greatest possible extent. To this labor offers no opposition, and the result is a constantly increasing efficiency in production with a constant striving toward greater mechanical efficiency and a comparative freedom from the restrictions on output which hamper us in England.

There is no doubt that on the whole the spirit of labor in the United States is excellent. The trades unions are of course not so strong as in England, their membership totaling this year only 3,750,000 workers, a decrease of 1,250,000 since 1920. It is a matter of satisfaction to Americans that the labor movement in their country is definitely anti-Communist, and Communist doctrines receive no support from and make no appeal to the bulk of the working class in the United States.

In the United States cooperation between capital and labor seems possible and the fatal doctrine that there is a necessary conflict of interests does not prevail. Moreover, there has been a widespread development of the system of interesting employees in the stock of the corporation for which they are working. For instance, the Standard Oil Company allows each employee of whatever grade to put one-fifth of his salary or wages into Standard Oil stock and the company adds 50 cents for every dollar so subscribed. There is a spirit abroad in the States which is sometimes referred to as the "new leadership," and it is a spirit of cooperation, of initiative and of a "square deal" on both sides. This spirit alone goes far to explain the amazing increase in the efficiency of American production.

Before passing on to consider other points contributing to efficiency we may perhaps be allowed to relate one instance which is not without its humorous side. It appears that the American Brotherhood of Locomotive Engineers, one of the most powerful and richest trade unions in the States, possesses as an investment and op-

erates a coal mine in West Virginia. It is interesting to record that this union-owned mine is operated entirely by non-union labor.

THE RAILWAYS—Reference has already been made to the increased efficiency of the railways, and the effect which it has had upon the financial burden of holding stocks. There is no doubt that this is a factor which has contributed to no small extent to the present trade development.

INDUSTRIAL ORGANIZATION—Industrial organization has attained a pitch in the United States which has never been equaled in any other country, with the possible exception of Germany.

In individual businesses the tendency is toward the large unit, and this tendency is likely to become more and more marked. Apart from this movement toward amalgamation, there is far more readiness in America than in Great Britain for the different firms in one industry to cooperate for their mutual good, and even to go so far as to pool a great deal of their technical and business experience. The American "convention habit" may be somewhat overdone and may appear to consume a great deal of time, but there is no doubt that the habit of meeting together frequently and exchanging experiences has proved to be of the greatest value to American industry.

When one examines the number of trade associations in the United States the total is amazing. It is estimated that there are 7,000 associations, Federal, State or municipal, dealing with trade matters. Undoubtedly there is a considerable amount of overlapping, a certain waste of effort, but at the same time the leading trade associations, such as the Chamber of Commerce of the U. S. A., the National Manufacturers' Association, the National Industrial Conference Board, the Merchants' Association, &c., are extremely efficiently organized and are performing valuable national work. What particularly strikes one is that the leaders of industry, finance and commerce are much more ready in the United States than with us to take an active part in the work of these associations, even at great personal sacrifice. Further, the financial support which these associations receive from the American business

community is out of all relation to what can be obtained for similar purposes in Great Britain. Finally, the American Government has taken a far more aggressive line in fostering trade than the British Government. It is enough in this connection to note that the Bureau of Foreign and Domestic Commerce has an allocation of \$3,000,000 for the current year, and can confidently count on public support for any increase in that amount which it may desire.

One cannot leave an examination of the causes of American efficiency without mentioning the question of prohibition, although we are aware that this is debatable ground. As to the merits or otherwise of prohibition we do not desire to express any opinion, but we must record that several of the most prominent business leaders in America stated that, in their opinion, prohibition had been a considerable influence toward greater industrial efficiency. It is only fair to add that many of them qualified this statement by saying that maybe the price paid was too high, and that the social evils and the open contempt of the law, which have been evident since prohibition, may in the long run outweigh the purely material advantages to which it has contributed.

So far we have attempted to give a brief account of the economic, industrial and financial position in the United States. We would now turn to the questions of American competition in foreign trade and the United States as a market for British goods.

8. *American Foreign Trade Aims*—The capacity and efficiency of American production are so great that sooner or later the country must domestically reach saturation point. In certain lines, such as automobiles, there are signs that such will soon be the case, and in view of the policy of restricting immigration many people consider that the United States will quite shortly be faced with overproduction, unless she greatly increases her exports. On the other hand we believe that the moment of saturation is not so near as many people believe, in view of the enormous natural increase of the population, combined with their great purchasing power. Even with restricted immigration it is estimated that by the year 1940 the population of

the United States will be 135,000,000. We consider therefore that for many years to come the main market for American manufactures will be the United States itself, but it is of course inevitable that American exports should tend to increase and to become an ever more important factor in the commercial life of the country.

In 1924 the total exports from the United States were \$4,600,000,000. Of this total by far the greatest item was raw cotton, which accounted for 21 per cent., followed by wheat, 5.3 per cent., and automobiles, 4.6 per cent. If it had not been for the rise in the price of wheat last year, automobiles would have taken the second place in American exports. Great Britain is by far the largest purchaser of American goods, followed by Canada, Germany, France and Japan. Taking the large divisions of the world, Europe purchases 50 per cent. of all American exports, but her share has been constantly decreasing since the year 1880, when it was at its peak, and amounted to about 83 per cent. The main tendency of American exports during the last few years has been to be diverted from Europe to Canada, South America and Asia, and since this is partly due to the American foreign investment policy there is reason to think that this tendency may continue.

There is no doubt that as time goes on the United States will become increasingly a factor in world trade, and we shall meet with increasingly severe competition from her. We believe that in some quarters in Great Britain there is a tendency to make light of American competition, and to adopt the attitude that the Americans do not know how to conduct foreign trade. We consider that people who hold those views are laboring under a profound and dangerous delusion. It is true that the Americans have not the same knowledge of foreign trade that we have, for the very simple reason that up till quite recently they have had no need for foreign trade. But there can be no doubt that as soon as the moment comes that foreign trade development on a large scale is a necessity, a nation of their initiative, energy and organizing power will build up a foreign trade system which will rival our own. It will take them time to do it, but we shall be

living in a fool's paradise if we think they are incapable of doing it eventually. We should remember that eighteen years ago the United States had a most unsatisfactory banking system, but that as soon as the necessity became evident, after the panic of 1907, they set their house in order and evolved a system admirably adapted to their needs. Furthermore, the tendency in the United States toward large units has already greatly simplified some of their export problems, and it is likely to have an even greater effect in future.

9. *The United States as a Market for British Goods*—American imports in 1924 amounted to \$3,610,000,000, the bulk of which were raw materials. Whereas Great Britain is the greatest purchaser of American goods, we are only fourth in the list of supplying countries: The first place is taken by Canada, the second by Cuba, the third by Japan, and the fifth by Brazil. The favorable position of Canada, Cuba, Japan and Brazil is accounted for by imports into the United States of wood products, sugar, silk and coffee respectively. In the case of Great Britain the main exports to the United States of America are textiles, and semi-manufactured clothing, food products, high-class goods and semi-manufactured goods. A regrettable tendency during recent years has been the falling off in the re-export trade from Great Britain to America, which is now buying direct from foreign countries to a much greater extent, rather than through London or Liverpool, and it is to be feared that this re-export trade is permanently lost to England.

Another notable feature is that the United States are importing increasingly from South America and Asia and are drawing a diminishing proportion of their supplies from Europe.

With regard to the future of our export trade to the U. S. A., the greatest possibility of expansion undoubtedly lies in the textile industry, food specialties, and in high-grade goods. The more the prosperity of the United States increases the more marked will become the tendency to purchase imported luxury goods, irrespective of the question of price. There is, however, no reason at all why we should not increase our exports substantially in

many of the ordinary competitive lines. We cannot hope to sell such lines far in the interior of the United States, as they would then have to face, in addition to the tariff and ocean freight, the high cost of railway freight. But on the whole of the seaboard, especially on the Pacific Coast and in the South, the low cost of sea transport from Great Britain, compared with the heavy cost of rail transport from the American industrial districts, undoubtedly gives us many favorable opportunities of competing. In exporting to the United States it is, however, important to realize that a close study must be made of American methods, a reliable sales organization must be employed, deliveries must be prompt, and full use must be made of advertising. The best plan of procedure for any firm wishing to initiate or increase its sales to the United States is to send a man out to investigate the possibilities on the spot. Such a visitor would receive every assistance and most valuable information from the Commercial Departments of H. M. Embassy at Washington and Consulate General at New York, and from the British Empire Chamber of Commerce in New York, which represents the F. B. I. in the U. S. A.

The future trend of the American tariff has, of course, an important bearing upon our trade with the United States. There is no free trade party in America. All are protectionists, and the difference lies between the high-tariff party and the low-tariff party. In the past the great division was between the low-tariff South, which produced raw materials salable on a world price, and the high-tariff North. Today the position is a little different. The South is still low tariff, although not so much as in the past, since in certain Southern States manufacturing has had a great development. The East is still high tariff, as being the predominantly industrial area. The Middle Western States east of the Mississippi are predominantly high tariff since they produce goods for local consumption. The Northwestern States, however, are on the whole low tariff so far as a tax on manufactured goods is concerned, since the price of their produce is a world price, whereas the price of the

manufactured goods they have to buy is affected by the tariff.

On the whole it may be said that there would be strong opposition to any further increase in the tariff, but it is unlikely that there will be a revision downward, since at the back of most American minds is the fear that a low-tariff policy will endanger the standard of living in the United States. There is in certain financial circles in the East a feeling that, unless the tariff wall is broken down and America allows foreign goods to enter the country more freely, it will be impossible for her to receive payment for her war debts, but we do not believe this opinion is widely held or is likely to affect the future trend of the tariff. On the whole we consider that tariff stability is likely to prevail over a considerable number of years, and we suggest that this consideration should be borne in mind by any firms contemplating business with the U. S. A.

10. *American Opinion of Great Britain*—We would draw special attention to this section of our report, which reveals an extremely grave situation.

We are well aware that conditions in England are far from satisfactory, that we are going through difficult times and that a hard struggle is ahead of us. But in the United States, even in the most friendly disposed quarters, the general impression seems to be that England is definitely "down and out." All our difficulties are exaggerated, and the progress we have made toward reconstruction ignored. We are painted as being at the mercy of Communists. One hears that our plants are out of date, our methods antiquated, we cannot compete, our spirit of initiative has deserted us, and the British workman neither can nor will work. Not one man in a hundred realizes that the unemployment insurance scheme is a contributory system. They practically all regard it as a purely pauperizing scheme of Government assistance, and they are totally unaware of the reasons and manner of operation of the scheme, and of the abnormal causes which have led to the present position.

The foregoing may appear to be exaggeration, but we can declare with all sincerity that it is an accurate picture of what

the majority of Americans think of England. Not only is this doing the prestige of Great Britain infinite harm; it is also losing us business, and of that we have definite proof. As an instance of this we learned that shortly before our arrival one of the biggest buying concerns for general goods held a conference of directors and managers to settle on their policy of foreign purchases during the next few months. They decided on a program of \$3,000,000, but in view of their information as to the state of affairs in Great Britain they held that it was useless to attempt to obtain supplies from us, and they allocated only \$75,000 for purchases in England.

This impression of the gradual decline of England is a catastrophe, and that it exists is largely our own fault. The extracts from the British press which find their way into the American papers, the articles written by some of our fellow-countrymen for the American press and the pessimistic way in which visitors from England to the United States describe the state of affairs at home have all conspired to create a totally false impression in the American mind. The American is an optimist and he does not understand our national habit of self-depreciation, with the result that he takes all the pessimistic talk he hears as being the literal truth, and probably an under statement of the gravity of the situation.

During our visit we were fortunate enough to have the opportunity at public meetings and privately to dispel some of these false impressions, and to assure our American friends that Great Britain, although admittedly facing difficult times, was by no means on the point of throwing up the sponge. Such efforts at explaining the position are only a drop in the bucket, and we would most earnestly urge that some concerted steps should be taken to bring the true facts of the case before the American public.

Above all it is desirable that one or more Englishmen of the highest standing should take an early opportunity of visiting the United States, and in a series of speeches in different parts of the country should correct the harm which has been done to British interests.

If the F. B. I. were to take the initia-

tive in the work of making known the real facts of the situation to the American public they would be performing a great service for British trade and British prestige in America.

11. *Conclusions*—In conclusion we would draw attention to the four points which most struck us during our visit to the United States:

1. The amazing prosperity of the United States, which shows every sign of continuing.

2. The greatly increased efficiency of production and the increasing competition which we must expect from the United States in the world markets.

3. The general belief that prices in the United States are not likely to rise in the near future.

4. The regrettable misapprehension in the minds of the American public of what

the real state of affairs is in Great Britain. This last point, which is of great importance, is one where the remedy lies in our own hands.

Finally, we cannot conclude this report without expressing our deep appreciation of the assistance and information we received from H. M. Embassy at Washington and H. M. Consulate General at New York; from the British Empire Chamber of Commerce; from the many American business organizations with which we were in touch, and especially from the Chamber of Commerce of the U. S. A. and the National Industrial Conference Board; and from the numerous Americans connected both with the Administration and with industrial, commercial and financial corporations, who were good enough to discuss the problems we were desirous of investigating.

Oct. 30, 1925.

The Canadian Election of 1925

By HUGH L. KEENLEYSIDE

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ON Oct. 29, 1925, the people of Canada elected a new Parliament, selecting 244 men and one woman to represent them in Ottawa. After four years of government by compromise Premier MacKenzie King appealed to the electors in the hope of being returned at the head of a party with a working majority in Parliament. As a result of the election confusion has become worse confounded.

In the national elections of 1921 Mr. MacKenzie King, leader of the Liberal Party, was given a majority in the House of Commons of one member. This division remained approximately unchanged, and in 1925, at the time of dissolution, the standing was as follows:

Liberals	117
Progressives	61
Conservatives	49
Labor	2
Independent	2
Vacant	4
Total	235

This deadlock between the Government and its opponents, in a House accustomed to the simplicity of the two-party division and definite majorities, resulted in practical stagnation. The Premier felt that he was obliged to angle for Progressive support, and yet he was unwilling to adopt the Progressive program. The result was a Government by compromise, makeshift and intrigue. Little was accomplished. The weakness of this situation was clearly evident to the country as a whole, and Mr. MacKenzie King used it to enforce his election plea for a "working majority."

In the election of 1925 there were four parties, properly designated. Of these the Liberal Party and the Conservative Party were historic groups tracing their genesis to pre-Confederation Canada. The Progressive Party is of recent origin, having come into existence during the war, for the purpose of protecting and advancing the interests of the farmers. The campaign of 1921 was its first adventure into the na-

tional field. The fourth organization was the Canadian Labor Party, a weakly organized, inchoate group with candidates only in the larger cities.

As to the personalities of the party leaders, first comes Mr. MacKenzie King, who is at the head of the Liberal organization in succession to the late Sir Wilfrid Laurier. A descendant of William Lyon MacKenzie, the rebel leader of 1837, his presence at the head of the Canadian Government has a peculiar interest. Trained in Toronto and Harvard Universities, he has tended to specialize in labor problems, in spite of which he is not viewed with enthusiasm by the labor groups in Canada. He is an able debater, but is not generally considered a "strong" leader. Arthur Meighen, leader of the Conservative Party, is a graduate of Toronto University, and has since been a school teacher and a lawyer in a Western farming community. A man who aroused respect rather than enthusiasm, a cold and critical debater, possessed of a brilliant mind, he is known as "Gloomy Arthur." He is exceedingly unpopular among the Liberals on account of his authorship of the War Times Election act of 1917, by which thousands of Liberals were disfranchised. In Quebec he is especially detested because of his activities on the conscription issue during the war. In spite of his position as Conservative leader he is, paradoxically, disliked by St. James Street (the Wall Street of Montreal and Canada) because of his "radical" tendencies. These tendencies are not recognized by Labor, Liberals or Progressives. Mr. Forke, the present leader of the Progressive Party, is generally looked upon as "a Liberal turned Farmer." His point of view is essentially that of the left wing Liberals, and he has frequently supported Mr. MacKenzie King to the dissatisfaction of many of his followers. The Labor leader, J. S. Woodsworth, was formerly a minister of the Gospel, a longshoreman, a labor organizer and editor. He is one of the ablest debaters in the House, a man of unusual culture and a financial expert.

THE ELECTION PLATFORMS

The Liberal campaign was summed up in the sentence, "Give us a majority and we will give you prosperity." Mr. Mac-

Kenzie King declared for an "adequate but moderate" tariff, Senate reform, a strong immigration policy, the development of international trade, the completion of the Hudson's Bay railroad and the reduction of westward rates on grain. He was criticized for offering bribes in the form of Cabinet positions for local celebrities, and in his railroad promises, and for his failure to rebuke a Cabinet member who had attacked the Civil Service, and for general inefficiency and extravagance in office.

The Conservative platform had, in reality, only one plank—higher protection. This was offered by Mr. Meighen as a panacea for industrial ills, for the exodus of Canadians to the United States, for unemployment and for business depression. He promised to prevent profiteers from finding shelter behind the tariff—a statement which may partially explain his unpopularity in Montreal.

The Progressive Party had a concise and concrete program to offer, although it was denounced as class legislation. Their platform demanded the initiative, referendum and recall; old age pensions; abolition of child labor; reform or abolition of the Senate; railroad nationalization; increased income and excise taxes; a public health service; assistance to cooperative movements; a low tariff; conservation; general economy, and proportional representation. In international affairs the Progressives specifically endorsed the League of Nations.

The Labor Party presented only a few candidates, but like the Progressives had a definite and radical program, including public ownership of the means of production, the eight-hour day, exclusion of Asiatics, unemployment dole, abolition of the Senate, abolition of capital punishment, a capital levy, a non-partisan tariff commission and international disarmament.

As the result of a redistribution of Federal seats the number of constituencies was increased from 235 to 245. This fact was favorable to the Liberals and Progressives, as will be seen from a glance at the table given below. Apart from Quebec the Middle West was the centre of Liberal and Progressive power, and it was the West that profited by the redistribution. The alteration by Provinces was as follows: Mani-

toba added two seats, Saskatchewan five, Alberta four, British Columbia one, while Nova Scotia lost two. In the House before dissolution the division of the members by Provinces and by parties was as follows:

THE CANADIAN HOUSE OF COMMONS BEFORE THE ELECTION							
Province	Liberal	Conservative	Progressive	Labor	Independent	Vacant	Total
Nova Scotia	15	1	0	0	0	0	16
New Brunswick ..	4	5	1	0	0	1	11
Prince Edward Isl.	4	0	0	0	0	0	4
Quebec	64	0	0	0	0	1	65
Ontario	24	35	21	0	0	2	82
Manitoba	2	0	12	1	0	0	15
Saskatchewan	1	0	15	0	0	0	16
Alberta	0	0	10	1	1	0	12
British Columbia..	3	7	2	0	1	0	13
Yukon	0	1	0	0	0	0	1
Total	117	49	61	2	2	4	235

It will be noticed in this table that more than half the Liberal strength was obtained from the unanimous delegation of Quebec. This is an important and also unfortunate fact of Canadian politics. By a series of historic accidents the Province of Quebec became attached to the Liberal Party, an attachment made the more secure by the influence of Sir Wilfrid Laurier and by the unjust treatment and criticism heaped upon Quebec during the recent war. Being essentially reactionary in point of view, the weight of Quebec has stultified whatever radical principles the Liberal Party may originally have possessed. There is, consequently, no real division on fundamental problems between the two historic parties of Canada.

If the House was deadlocked before Oct. 29, the situation was even worse after that date. The Maritime Provinces, desperate on account of business depression, swung heavily into the Conservative columns, a movement foreshadowed by earlier provincial elections; Ontario, recovering from its brief experiment in Pro-

gressivism, returned to its former Conservatism. In these Provinces the standing was:

Conservatives	92
Liberals	17
Progressives	2

Adding British Columbia, we find that in five out of the nine Provinces the totals were as follows:

Conservatives	102
Liberals	21
Progressives	2

Here, however, the Conservative swing ended. Quebec, as usual, went almost solidly Liberal, electing 60 followers of the Premier to 4 Conservatives and 1 In-

dependent—Henri Bourassa. In the three Prairie Provinces the Liberals gained, but at the expense of the Progressives rather than of the Conservatives. For Manitoba, Saskatchewan and Alberta the total was:

Liberals	20
Progressives	21
Conservatives	11
Labor	2

The total for the whole Dominion, by Provinces and parties, is shown in the table below.

As a result of the election it becomes evident that no single party can carry on. Premier MacKenzie King and eight of the members of his Cabinet suffered personal defeat, and yet the Government has not resigned. The Premier apparently believes

THE NEW CANADIAN HOUSE ELECTED IN OCTOBER, 1925.							
Province	Liberal	Conservative	Progressive	Labor	Independent	Vacant	Total
Nova Scotia	3	11	0	0	0	0	14
New Brunswick..	1	10	0	0	0	0	11
Prince Edward Isl	2	2	0	0	0	0	4
Quebec	*60	4	0	0	1	0	65
Ontario	11	69	2	0	0	0	82
Manitoba	1	7	7	2	0	0	17
Saskatchewan ...	15	0	6	0	0	0	21
Alberta	4	4	8	0	0	0	16
British Columbia.	4	10	0	0	0	0	14
Yukon	0	1	0	0	0	0	1
Total	101	118	23	2	1	0	245

*One dead since the election.

that he can count on sufficient Progressive support to enable him to weather the first attacks in the House and to make it possible for him to appeal to the people again—as Premier, and in charge of the election machinery. He is, however, faced with this difficulty: he can probably count on Mr. Forke and some fifteen of the Progressives. This will give him a total almost exactly equal to that of the Conservatives. The real balance of power will be in the hands of the seven or eight members of the so-called “ginger group” of the Progressive Party (who left its caucus during the last session) and the two Labor members. Upon this group rests the fate of the Cabinet.

Viewing it in its larger significance, this election would seem to presage the end of the Progressive Party, and, except for Labor, a return to the two-party system. And yet there is some doubt as to the truth of this interpretation. The Progressive group is small, but it is not negligible. Many of its supporters are still enthusiastic and determined. One bad crop, a recurrence of banking difficulties or further trouble over freight rates might very well return this party to its earlier strength. As Sir Wilfrid Laurier once said, “Our politics are railways.” At least, politics are very largely a matter of economics. One thing that may be said with certainty is that a new election will necessarily be held within the year.

BOURASSA'S RETURN

The re-emergence of Henri Bourassa as an independent member from Quebec brings back echoes of the Nationalist campaign of 1911. It adds to the color of the House, for there is in Canadian public life no more brilliant or trenchant critic than the erstwhile leader of the French-Canadian Nationalists. Only second in impor-

tance to Bourassa is “Bob” Rogers, elected in a spirited contest over ex-Premier Norris of Manitoba, for a Winnipeg seat. This is Mr. Rogers's first appearance in politics since 1916, when, as the “evil partner” of Sir Robert Borden, he resigned his portfolio as Minister of Public Works. Mr. Rogers's activities will be closely watched in the new House. Sir George Perley, from 1911 to 1921 Canadian High Commissioner in London, made one of the few Conservative gains in Quebec. Miss Agnes MacPhail, the only woman member of the last House and a member of the “ginger group” of Progressives, was re-elected from South Grey, Ontario. Miss MacPhail was the only one of four women candidates to achieve election. Almost as important as the election of these interesting candidates was the defeat or retirement of George P. Graham, some time right hand man to Sir Wilfrid Laurier and recently Minister of Railways; of Crerar and Hoey, the ablest leaders of the Western Progressives, and of Vincent Massey, rich young philanthropist and manufacturer of Toronto, who had been recently added to the Liberal Cabinet in an effort to placate the business interests of the Dominion.

The immediate future in Canadian politics will see a jockeying for control of the election patronage and the prestige of the Premiership. This will be followed by a new election. Whether the Conservative Party can, in the new election, make further gains at the expense of Liberals and Progressives, or whether it has now reached its maximum strength, the future alone can decide. It is at least arguable that, as now constituted, no political group can hope to gain a single and definite majority in the Canadian House. If the Progressive Party refuses to die, it is difficult to see how either Conservatives or Liberals can rule alone.



American Indians Facing a New Era

By REX F. HARLOW

Research Student and Statistician

THE question is often asked today, "Is the Indian a vanishing race?" This is not a new query; it has long been prominent; ten years ago it was symbolized vividly at the Panama Pacific Exposition in San Francisco by a statue which was erected at a prominent point on the grounds. The subject was an Indian with everything to indicate that he was worn and weary and had abandoned all hope. The forlorn and dejected figure was mounted upon a pony which in every detail was in perfect harmony with his rider. The title of this piece of statuary was "The End of the Trail." The author had evidently intended to indicate that the "noble red man," after having passed from the Atlantic seaboard across the continent, first having been halted at various places in the passage, at last had reached the extreme limit of his career by coming to the end of the continent—to him the end of the world. In a word, it pictured the last of a dying race.

This picture is correct; according to recent Government bulletins, the "full blood" Indian is vanishing. The Navajo is about the only tribe in which the "full blood" is increasing; the increase in the general Indian population is due to the number of persons of mixed Indian and white blood, the so-called "mixed bloods." Statistics from the Indian Office show that out of a population in 1924 of 346,902 Indians, the full bloods, the 100 per cent. Indians, numbered only 162,662, not one-half; that persons of mixed blood having more than half Indian blood in their veins numbered 50,127, and those who were half or less Indian blood numbered 86,972.

The Indian population of the United States has always been a matter of dispute. The Indian Office and the Bureau of the Census never have agreed in their totals, and now they are further apart than ever; more than 100,000 apart. The 1920 census taken from the United States Bureau of the Census says that the Indian population of the United States, exclusive of

Alaska, is 244,437; the Indian Office annual report for 1921 gives the Indian population as 344,489. The two estimates based on State returns are shown by the following comparative table:

INDIAN POPULATION CENSUS

(Indian Office, 1921; Census Bureau, 1920)

	Indian Office	Census Bureau
Alabama	405	405
Arizona	43,519	32,989
Arkansas	106	106
California	17,725	17,360
Colorado	785	1,383
Connecticut	159	159
Delaware	2	2
District of Columbia....	37	37
Florida	452	518
Georgia	125	125
Idaho	4,017	3,098
Illinois	194	194
Indiana	125	125
Iowa	342	529
Kansas	1,498	2,276
Kentucky	57	57
Louisiana	1,066	1,066
Maine	839	839
Maryland	32	32
Massachusetts	555	555
Michigan	7,593	5,614
Minnesota	12,963	8,761
Mississippi	1,412	1,105
Missouri	171	171
Montana	12,587	10,956
Nebraska	2,520	2,888
Nevada	5,940	4,907
New Hampshire	28	28
New Jersey.....	100	100
New Mexico.....	23,287	19,512
New York.....	6,053	5,502
North Carolina.....	11,824	11,824
North Dakota.....	9,240	6,254
Ohio	151	151
Oklahoma	119,481	57,337
Oregon	6,608	4,590
Pennsylvania	337	337
Rhode Island.....	110	110
South Carolina.....	304	304
South Dakota.....	23,159	16,384
Tennessee	56	56
Texas	2,109	2,109
Utah	1,559	2,711
Vermont	24	24

	Indian Office	Census Bureau
Virginia	824	824
Washington	11,829	9,061
West Virginia	7	7
Wisconsin	10,404	9,611
Wyoming	1,764	1,343

Total 344,489 244,437

Comparing these totals with those of 1910, the Census Bureau shows a decrease in Indian population in ten years of 21,246, while the Indian Office by its figures shows an increase of 20,371. The explanation of these wide differences may be found in the way in which each bureau answers the question, "What is an Indian?" Because of tribal customs, adoption of white persons into tribes, treaty stipulations, Congressional enactments and executive orders, the Indian Office can properly say that an Indian is any person whose name is on the tribal roll, the descendant of any such person, any person who has an identifiable amount of Indian blood, and any non-Indian who by marriage, adoption or any other tribal custom has become a recognized member of an Indian tribe.

The Census Bureau's business is to enumerate the population and classify it into whites, Japanese, Indians, and so forth. The Census Bureau enumerator, in tens of thousands of cases, classifies individuals according to their own statements and the statements of neighbors, or he has to exercise his own judgment. There are thousands of Indians of mixed blood who have so little Indian blood in their veins that it cannot be identified from their appearance or by their manner of living. To all appearances they are white, and quite properly are counted as white by the census enumerator. The Indian Office totals of some tribes, therefore, are not a census enumeration at all. They are the totals on the tribal rolls, which must be maintained because the

rolls are the foundations of Indian land titles and necessary evidence to settle heirship cases. It can thus be seen that while both bureaus are wrong in their population totals, each, in a sense, is right.

Though every State in the Union, as well as the District of Columbia, has an Indian population, nevertheless the Government's activities as guardian and trustee are confined to Indians living in the following twenty-four States: Arizona, California, Colorado, Florida, Idaho, Iowa, Kansas, Michigan, Minnesota, Montana, Nebraska, Nevada, New Mexico, New York, North Carolina, North Dakota, Oklahoma, Oregon, South Dakota, Utah, Washington, Wisconsin and Wyoming. Of these States, Oklahoma leads with a population of 119,989 and Arizona is second with 42,841. Eight additional States have Indian populations exceeding 10,000. Listed in order, they are: South Dakota, New Mexico, California, Minnesota, Montana, Washington, North Carolina and Wisconsin.

There are over 300 Indian tribes and bands in the United States, each with its own name and language or dialect; each with its own history and traditions; its own tribal code of ethics, prejudices, pride, patriotism and customs which have the effect of law. The Indian people are not, in any sense, a homogeneous people. They



Real American Indians—Chief Turkey Leg and Chief Little Elk—photographed in Boston last May



Commissioner of Indian Affairs Burke (centre) and a group of Pueblo Indians photographed at Washington

live under climatical, topographical and geographical conditions widely varying. Thousands of them are still in a state of higher barbarism, although strongly influenced by contact with whites, and thousands are as civilized as their white neighbors, and many are highly educated; cultured and refined men and women. Thousands are so little advanced in their knowledge of the English language that they can speak but few words of English and cannot write or read it at all. On the other hand there are tens of thousands who do speak and read and write English; a large percentage of this class has better than a fair high school education, and a considerable number are graduates or students of colleges and universities.

VARYING ECONOMIC STATUS

The economic condition of the Indians is almost as wide in its range as their private characteristics and their living conditions. In the Southwest, where the natives for unknown generations have fought nature on the semi-arid deserts and where they were irrigationists long before the advent of the white men, the Indians are natural farmers. On the great plains they are horsemen and take better to live stock raising. But, as a rule, excepting in the Southwest and in a few scattered communi-

ties, they are not inclined to agriculture, although in recent years many of them have become fairly good farmers. On the Northern Pacific Coast reside the fish-catching Indians. In the pine forests the Indians are natural woodsmen and have taken to lumbering. Within the past six years many Indians of Arizona have developed into cotton raisers and cotton field hands. The last quarter of a century has seen the Oklahoma Indians become oil magnates and business men. But most of the Indians are still too near the skin tent, the buffalo hunting days and the war trail for us to expect them at this time to take their place in the world as self-supporting farmers, manufacturers or mechanics.

Approximately two-thirds or 240,000 Indians are reservation Indians, who are wards of the Government, who live on land which has been given to them by the Government. This classification has cost them dearly. For many years after they were removed to their various reservations, contact with the whites was remote, or at best only desultory. Yet they were required to live as nearly as possible like the white man, which resulted in great death losses to them. They were largely helpless in the face of this new danger; not until comparatively recent years did they begin to meet it intelligently, by mingling with

their white brothers and thereby learning how to adjust themselves to their new surroundings. No doubt prejudice born of the harrowing tales of history, which for a century thrust a powerful barrier between them and the white man, was mainly responsible for their failure to fraternize more freely with the whites before. They harbored a deep resentment against the race that robbed them of their heritage, and the white man remembered them as the ancient foe who massacred his ancestors, who impeded the progress of his nation, and whose general unloveliness even at this later day made him undesirable as a friend and associate. But time, with its healing influences, its progress and education, which carried in their wake a truer understanding of the kinship of all mankind, bridged the gap; and the two races began gravitating toward each other. Intermingling, intermarrying, the establishment of kindred interests, these and hosts of other factors carried their matriculation forward with constantly increasing rapidity.

Then, too, the white man saw the handwriting on the wall—the Indian of old was vanishing; the moccasin, the braided queue, the bright beads and colored shawls, the picturesque garb and striking mannerisms of the early day Indian were becoming things of the past; even then they were only symbols of what they once were—the habits of thought, the modes of dress, the very demeanor of the red man were changing, were becoming Caucasianized. Greece had her fables, Rome had her history, the Norsemen had their tales; but the Indian had all of these things—and in addition was an American. To let him sink into oblivion, to allow his history to be lost to America forever, would be a crime; and the white man did not propose to bear the

stigma of such criminality. The living full-blood Indian was passing from the picture, but the spirit Indian in myth, history, folklore, tribal dances, racial customs—he must be saved. So the white man started out definitely to save him.

SALVATION BY AMALGAMATION

It would seem that this saving process might have been put into effect by the white man without the Indian fully realizing just what was happening to him. This was not true. The leading spirits among the Indians met the white man half way; they were also responsible for the change. In desperation, seeing the fortunes of their race shattered and broken, realizing that utter oblivion was inevitable for them unless some means could be found to perpetuate the customs and arts, the history and achievements of their race, they turned in desperation to the only avenue open to them, namely that of absorption into the ranks of the white man. With the future closed to them they purposely decided to cast their lots with the very foes who in the past had conquered and all but destroyed them. Unquestionably they took such action; and it has been one of the important factors in the brighter outlook



Cheyenne chiefs photographed during a visit to Washington. From left to right: Chief Left Hand, Chief Magpie, Chief Bear Man and Chief Mad Bull



Mr. and Mrs. Owen Heavy Breast, members of the Blackfoot tribe, who have a farm on the Glacier National Park Reservation, Montana

and increase in population of the Indian of today.

The World War added its contribution to the same results. Some 12,000 Indian boys served in the American army during the war, and they bore themselves with a distinction that won the admiration of all nations. The effect upon the red race was indicated in a report from an Indian school superintendent in Northern California, who said that in every case he encountered of an Indian returning to his jurisdiction he found the young man to be greatly bettered by his work in the army, both physically and mentally, and anxious to do something for his race as well as for himself. The case of one Indian soldier will illustrate this fact. A Cheyenne, a typical, no-account, reservation Indian with long hair, went to France, was wounded, gassed and shell shocked. He was returned under an honorable discharge. He reported to the agency office square shouldered, level-eyed, courteous, self-reliant and talked intelligently. It was a wonderful transformation, caused by contact with the outside world. He returned eagerly to work and has since been active in behalf of other Indians.

Can there be any doubt as to the war Indian's strengthening the future prospects of his race? No. The whole character

of the Indian who served in the World War underwent a great change. He lost much of his timidity. He gained greater self-confidence. He became more courteous and more polite. Since the war he feels that he is capable of fulfilling his obligations to his country as any other race of people. He understands more fully his patriotic duty to his country. He realizes more than ever that there is a place for him in his community; that he is a unit in the great Commonwealth. He has seen and learned many things of educational

value. He has improved perceptibly in the use of English. His contact with the outside world and his association with disciplined men have meant much mental discipline for him. As a result, he is a better and more desirable student, a better citizen. Through him the Office of Indian Affairs plans to build a new Indian race, one that will continue to bear the name but not the characteristics of the "dying, primitive race" of old. This work is already being carried forward with expedition. The changed status provided by the Indian ex-service man permits this to be accomplished; sanitation, education, industry, interest in government, intelligent citizenship and the many other things necessary in stemming the tide of oblivion that faced the Indian for so many decades through him are now made possible.

EDUCATION BUILDING A NEW RACE

This change is being accomplished steadily and effectively. The Government is generous in its appropriations for the Indian Office; a great amount of money is being spent annually for the best interests of the red man, principally upon education and health. Between 65,000 and 70,000 Indian children are being educated; and the Government maintains continuously 150 regular physicians on duty at Indian reser-

vations and schools, in addition to the employment of eighty nurses and seventy field matrons. It operates hospitals, maintains specialists in tuberculosis and trachoma, the two diseases to which the Indian is susceptible, and annually treats more than 20,000 children. Some interesting vital statistics follow:

EDUCATION

(Indian Bureau figures of 1922)

Children of school age.....	91,968
Children eligible for attendance...	85,689
Eligible children not in school....	20,746
Total in school.....	64,943
In Government schools.....	24,222
In non-reservation boarding schools	9,240
In reservation boarding schools...	9,434
In day schools.....	5,548
In mission and private schools...	6,420
In public schools.....	34,301

HEALTH (1920)

Indian population involved.....	206,868
Indians examined for disease....	66,718
Found with latent tuberculosis....	3,585
Found with active tuberculosis....	4,519
Found with trachoma.....	9,900
Estimated having tuberculosis....	24,773
Estimated having trachoma.....	30,795

INCOME OF INDIANS (1920) \$72,696,431

Crops raised.....	\$11,927,366
Stock sold.....	4,080,375
Native industries.....	1,869,907
Timber cut.....	2,060,559
Wages earned.....	4,240,149
Rations, &c.....	367,081
From individual leases.....	6,245,762
Sales of lands.....	5,440,964
Interest on trust funds.....	1,187,631
Treaty obligations.....	724,860
Indian moneys, proceeds of labor.	34,351,777

MISCELLANEOUS (1920)

Indians speaking English.....	206,868
Indians reading and writing English	91,331
Indian citizens of the United States	83,462
Indian voters.....	29,738
Churchgoing Indians:	
Protestant	47,318
Catholic	58,858

The educational efforts on behalf of the Indians are securing results. The number of younger Indians who are finding remunerative employment is steadily increasing. The demand for Indian labor

is greater than the supply. Indian activities in agriculture, railroading, land reclamation, telephone, telegraph and highway construction are constantly broadening. The new Indians are inclining toward work in beet fields, as fruit pickers, as gatherers of nuts, herbs, wild rice and similar products. Large numbers of them find employment in automobile factories, where they do very well indeed. Hundreds of Indian school graduates are employed in Government service, and equally large numbers are engaged in commercial activities, chiefly clerical.

The cotton fields of the Southwest are attracting an increasing number of Indian laborers. Indians make excellent cotton pickers and are likely to displace much of the Mexican labor in the cotton fields. Indications are that many Indians in time will purchase small tracts of cotton land and establish permanent homes in cotton sections. The same thing is true of grazing in the Southwest. Indians are being educated to remove their ponies from the grazing land they own and to replace them with cattle and sheep. Large numbers of them are becoming live stock men.

About the only group in which the younger Indians are failing to show marked increase in usefulness as citizens is among the Five Civilized Tribes, where wealth has developed a slothfulness and extravagance that are undermining the race. In general the new Indian is showing great advancement in almost every respect. Even the stupid immobility of which his ancestors have long been accused by the white man is passing from his countenance, and he is beginning to show an alertness and a general appearance of purposefulness that more nearly approach those of his white brother. What this promises in time for the race can better be understood when it is known that last year 65,484 Indian children were in attendance in schools. It will not be many years until the new Indian will be almost as well educated as the white man, for the system is bringing him to the front, is helping him to develop as rapidly and efficiently as possible.

Italy's Inverted Bolshevism

By ROBERT DELL

Paris Correspondent of the Manchester (England) Guardian

A FRENCHMAN who has recently returned from a fairly long stay in Russia tells me that he was particularly struck by the admiration of the Bolsheviki for Mussolini, which they express on every occasion. It did not surprise me to hear it, for after all Bolshevism and Fascism have much in common. They are both opposed to democracy, they have a common hatred of liberty and a common belief in the sole virtue of force. These characteristics are not merely accidental consequences of the conditions in Russia and Italy when Bolshevism and Fascism respectively came into being. They are fundamental in both systems.

Bolsheviki and Fascists do not, for instance, merely hold that existing conditions make the suspension of personal freedom necessary. They hate personal freedom for its own sake, and in particular freedom of opinion. A young French Communist, typical of his fellows, told me recently that personal freedom might become possible a thousand years hence. Meanwhile, he was for a rigorous censorship—provided, of course, that it were exercised by Communists in the interest of communism—and the rigorous suppression of all expressions of opinion hostile to communism and of all criticism of a Communist Government. When I suggested that the Bolshevik system of education aimed at keeping the faithful from the knowledge of anything that might endanger their faith, he said that I was right and that this was the only possible system of education. He admitted that a censorship might impose silence on the greatest intellects of the country, but so much the better, for great intellects had done nothing but harm. Mass production even in the things of the mind appears to be the Bolshevik ideal, and the system leaves no room for the use of the individual intelligence, except, of course, on the part of the dominant caste. The "dictatorship of the

proletariat," as we see it in practice in Russia, is a dictatorship exercised by an oligarchy in the name of an abstraction called "the proletariat." It is really the Hegelian conception of the divine and omnipotent State with a slight change in terminology.

This is in fact the conception of Fascism. Mussolini talks about liberty just as the Bolsheviki talk about it, except perhaps that he does not admit its possibility even a thousand years hence. For him it is dead and gone, a thing of the past. The methods of Fascism, too, are the same as those of Bolshevism, or at least the differences are trivial. In Russia the press has become a State monopoly. The State controls the printing press and owns all the paper. No book of any sort can be published without the permission of the Government censors. Secret publication of books or pamphlets or newspapers is no longer possible, as it was under the Czars, for it is impossible to get the paper or the use of a press. Never, I should suppose, in history has the expression of opinion been more completely and effectively controlled. In Italy things have not yet gone quite so far, but the aim is identical. The new press law gives the Government control of the press. The responsible editor of every paper must be a person approved by the Government. No criticism of Government policy is allowed, and if a paper dares to express any or to publish anything unpalatable to the Government it is given a preliminary warning. If it continues in its evil courses it receives a final notification that its editor is no longer approved and it must cease publication. Conservative, Liberal and Socialist newspapers, but not Communist organs, have all come under the official ban, so that before long there will be only Fascist and Communist papers left in Italy. The immunity from persecution enjoyed by the Communists is

significant—the Fascisti recognize their kin.

Fascism, like Bolshevism, rules by violence, with this difference, that in Russia the violence is at least the act of the State itself and takes a legal form, whereas in Italy it is the work of an irresponsible organization making no pretense of legal methods. In Russia opponents of the existing régime are given a trial in legal form, which may or may not be a fair one. In Italy no time is wasted on such formalities. If a man offends the Government his house is plundered by Fascists, with the connivance or active assistance of the police, he himself is violently assaulted, and he is lucky if he escapes with his life. Assassination has become in Italy a method of government. In this respect the Bolsheviki are much cleverer than the Fascists and with the result that their domination is likely to be more lasting. In both countries all the power is in the hands of a single political party consisting of a small minority of the inhabitants, which maintains itself in power by force, but the Russians did not make the mistake of retaining a national army and setting up a Communist militia in opposition to it, nor did they make the mistake of allowing their followers to take the law into their own hands. They have their followers in hand. Mussolini has not. His followers have been too strong for him. He has so long connived at their lawless proceedings that he cannot stop them when he would. Instead of getting the regular army into his own hands, as the Russian Government has, he has incurred its hatred by organizing the Fascist militia. It is easy to imagine the feelings of a General in the regular army, who is obliged to treat as an equal some upstart sub-lieutenant, suddenly elevated

to the rank of General in the Fascist militia. And the feelings of the General are shared by every rank. Between the army and the militia the jealousy is intense. When I was last in Italy, the officers of the regiment quartered in the town where I was staying refused to speak to a Fascist.

Mussolini has built on the sands. The Bolsheviki have built on a rock. They have restored and maintained legal order.

The Fascist rule by organized disorder and illegality. They do not seem to understand that a revolution must sooner or later settle down on pain of perishing. A nation may acquiesce in arbitrary government exercised by legal forms, especially when, as is the case of Russia, it has always been accustomed to it. No nation will permanently acquiesce in a chronic state of revolution, in which the power is in the hands of irresponsible bands whom nobody can call to account. The real power in Italy is exercised by the Fascist militia, against whom prefects, subprefects and other official representatives of the Government are powerless. The Fascists, now that they are in power, are continuing the



Wide World

Mussolini in uniform at a review of the National Militia.

methods by which they got into power. It is a blunder which will be fatal to them. The Bolsheviki have not committed it. The root cause of the difference is that the Bolshevik rulers are strong men, whereas Mussolini is a weak man who, as I have said, is incapable of controlling his own followers. He might say, with the famous Frenchman, "Since I am their leader, I follow them." The legend of Mussolini, "the still, strong man," should be exploded by now. He is a noisy "cabotin," as the French say—a play-actor—and he always has been. His change from revolutionary socialism to revolutionary Fascism is not

so great a change as it seems. As a revolutionary Socialist he was always, as he is now, an advocate of violence and a blustering rhetorician. His character, at any rate, has not changed.

In fact Fascism is inverted Bolshevism, and Bolshevism is inverted Fascism. Bolshevism is the Fascism of the Left, and Fascism the Bolshevism of the Right, and extremes have a tendency to meet. Both are international movements with their organizations in the various European countries. There are Fascist headquarters in Berlin and in Paris, and they are periodically visited by emissaries from Italy. Italian and Bavarian Fascisti have worked hand in hand. Indeed, Fascism is a German product. Its real inventor was not Mussolini, but a far more intelligent man, Escherich, the Bavarian monarchist, who spent some time in Italy a few years ago and gave Mussolini all his ideas. Both in Germany and in Italy the Fascisti have from time to time tried to conciliate the Communists, although they seem to be at opposite poles. I have heard German Fascisti talk to workmen in language almost indistinguishable from that of Communist orators, and the German Fascisti habitually represent their anti-Semitism as being in fact anti-capitalism. Their official title is "National-Socialist-Freedom" Party, the freedom no doubt being only for themselves. They were always disconcerted by the fact that the late Hugo Stinnes, the "bête noire" of the German workman, was not a Jew, but they got over the difficulty by saying that he was a cosmopolitan and therefore just as bad.

In Italy, as I have said, the Fascisti are now courting the Communists and their foreign policy is based on close relations with Russia. Mussolini has been anxious to visit Moscow, but his state of health did not permit him to do so. It is quite possible

that Italian Fascism will go more and more in the direction of Communism, or at least end in a Communist revolution, just as Russian Bolshevism may become more and more Fascist. As Bertrand Russell predicted a few years ago, the Bolshevik régime has become less and less Communist and more and more despotic. Indeed, it has entirely ceased to be Communist. The present Russian economic system is a form of State capitalism, which is quite compatible with Fascism.



ROBERTO FARINACCI
Secretary General of the Fascisti

Neither the Bolshevik Government in Russia nor the Fascist Government in Italy has been a factor making for international peace, but here there is a great difference between them. The Russian Government will do nothing to prevent war, but it is most unlikely to make one, whereas there is a danger that the Italian Government might in certain circumstances resort to war as a diversion from internal difficulties. What the Bolshevik hope is to profit by war between other countries. They believe that another European war would lead to a general revolution, and they may be right, but the revolution would inherit nothing but ruins and there would be an end of European civilization. Some of the Bolsheviks, at any rate, contemplate that result with a certain equanimity, for Russia belongs to Asia rather than to Europe, and Russian diplomatic methods are, as they always have been, Asiatic. The Bolshevik diplomatists are probably the ablest in the world. Whenever I see them in the company of diplomatists from other European countries I have the impression of a new Eastern civilization coming up against the effete civilization of the West. There is too much ground for fearing that European civilization may be effete, and in any case the assumption that it must always be dominant is a defiance of history. No form of civilization has yet been permanent, and it

is doubtful whether any ever will be. The future, for all we know, may belong to the yellow or even the black races.

DANGER OF WAR

The Bolsheviki do not conceal their belief that another European war is inevitable and will bring about the general revolution. Lenin is said to have prophesied another war in the near future, which would be even more deadly than the last and would involve the slaughter of a far larger number of men. General revolution arising out of another European war is one of the stock themes of Zinoviev's speeches, and the way in which he treats it suggests that the wish is father to the thought. Yet the Bolsheviki are right enough in saying that another European war is inevitable, unless the European Governments change their methods and seriously set themselves to organize peace. At present they all profess to will the end, few, if any, of them will the means necessary to attain it. The territorial arrangements made by the peace treaties must lead to war if they are not altered. As Signor Nitti has said, whereas there was one Alsace-Lorraine before the World War, there are now half a dozen.

The Italian Government is a possible immediate danger to peace, because to create a diversion by war is the traditional resource of an arbitrary Government in danger of losing its power, and there can be no doubt that the Fascist Government is faced with that danger. In its early days the Fascist movement was supported by a large number of people who saw in it a remedy for the disorder into which Italy had been thrown. Now they are all disillusioned and the Government has in fact no supporters except the members of the Fascist Party itself. The results of elections are no indication of public opinion,

for the elections are conducted by fraud. An Italian friend tells me that, just before the last general election, a little Italian town of about 3,000 inhabitants, where there were almost no Fascisti, was invaded by Fascisti from various parts of Italy, all liberally supplied with voting cards of various epochs, some going back to an almost venerable antiquity. The poll was opened by the Fascisti themselves an hour before the legal time, and when the official whose duty it was to preside arrived the Fascisti had all voted. Most of the inhabitants of the town abstained, but the Fascisti list polled about 5,000 votes!

The Fascist Government holds its power only by force. It may hold it for some time longer. Nobody in Italy ventures to predict how long, but on one point there is universal agreement, that the present situation must end in violence and civil war. At a word from the King the army would overturn the Fascist régime tomorrow, but that word will probably never be given, for the monarchy is in danger of



Wide World

PRINCE GONZAGA
Commander-in-Chief of the Fascist
Militia

sharing the fate of the Fascist régime. This being so, the general opinion is that the army would take no part in a movement for upsetting the Fascist régime, but would also take no part against it. It is possible that in the whirlpool not only the monarchy but the whole social system will be swept away. Anything is possible. Mussolini is culpable for not having gradually returned to legal and constitutional methods, as was undoubtedly at one time his intention. The reason almost certainly is that he is the prisoner of the extremists among his own followers, because he has been personally implicated in their crimes and they know too much about him. The real leadership of the Fascist Party has in fact passed out of his hands into those of Farinacci, the Secretary of the party.

In these circumstances nothing is more

possible than that Mussolini should seek a diversion in war. He has within the last few months delivered some bellicose speeches which have attracted less attention than they deserved. It is true that, like the ex-Kaiser, he is fond of bombastic language, but talk of this kind may sooner or later be translated into action. The Fascist press

preaches the doctrine that war is a salutary and desirable discipline for a nation. The expansionist claims of the Fascisti are becoming more and more extravagant. A Government determined on war can always find a pretext. It is the internal situation in Italy that makes that country a danger spot.

Fascism as an Alternative to Anarchy

By a Member of the Italian Aristocracy

REVOLUTIONARY movements of such importance as Fascism and Bolshevism cannot be judged by sweeping assertions and by often fallacious statements leading to conclusions which may appear logical, but which often do not correspond to the facts. Fascism and Bolshevism are often compared, and even described as the same thing. Yet, one must bear in mind that, although they may have many points in common, their origin and development are entirely different.

Lenin brought to the fore the myth of an international proletariat, which is now historically dead. To invest this myth with a sense of reality he had to attain power by force and violence and sweep everything before him in a wave of wanton destruction. The imperial family, university professors, traditions, property rights, religion, all went on the scrap heap of Czarist Russia to make way for the rising sun of the proletariat. Mussolini, on the other hand, though he received his training from Socialists and from his own realistic reading of history as well as from the teachings of Sorel, Oriani and Pareto, saw that the myth of internationalism had suffered its deathblow when the German Socialists, first among all members of the proletariat, ran to the colors. He was ready to leave the Socialist Party even before the attitude of the Italian Socialists at the outbreak of war gave him the material reason for transferring his revolutionary energies to the World War, the greatest revolution recorded in history.

The myth of the Fascist revolution of which Mussolini was the dynamic force

was founded on national consciousness. Love of country, nationalism, is, according to Giovanni Gentile, the religion of our times and it has overpowered the sense of God with which it is confused. Like Lenin, Mussolini obtained power through revolutionary methods, and his revolution has equally to defend itself from within. But instead of destroying he aimed at the reconstruction of a falling State system. All its strong and living elements were to be transformed and molded into a new kind of State, based not only on the advancement of the individual, but on the reconstruction of an organism to which all else was to be sacrificed. The existing institutions, such as the Church and the monarchy, representing as they do ethical tradition and historical continuity, are considered essential in the revolutionary plan. Instead of proceeding to their wholesale demolition, it was Mussolini who on the altar of nationalism foreswore his former anti-Catholic, republican and socialistic views, caring little if he appeared inconsistent. He was desirous only of attaining his aim. On the smoking ruins of Czarist Russia it is far easier for Trotsky to build a new State in which the Utopia of communism and equalitarian rule play but a small part than it is for Mussolini gradually but firmly to transform existing institutions and mold them into the State of which he has laid the foundations. Even if Italy should have the misfortune of losing Mussolini, the economic State which Fascism has created is bound to survive, and this notwithstanding the Liberal opposition and

the sympathy with which it is regarded by other nations.

Movements such as Fascism and Bolshevism are in no way international and cannot be transplanted. The attempts to introduce Bolshevism in Italy and the report of the Italian Socialist Deputies to their party on their return from Russia marked in 1920 the turning point at which the last illusory forces of communism gave way to the rising power of the Fascisti. Since then Fascism has endeavored to remove from Italian life those conditions which made the Italian State an easy prey of anti-national disorders. In other words, the Fascisti are striving to create an entirely new social order, and to accomplish this they have to eliminate practices, methods and institutions that are opposed to the conditions required by the new State. Hence a certain amount of friction, of dissatisfaction, of fighting and bloodshed. The Fascists and their opponents look upon one another as two organisms so opposed in theory and practice that the life of one implies the destruction of the other. If the struggle seen from afar seems unnecessarily cruel, it is because Fascism from the very nature of the principles which have brought it into existence can and does play the part of the lion, whereas the opposition rely upon the methods of the fox. Therefore, the consequent disorders are to be looked upon as the unavoidable incidents of a revolution that is not yet complete. Nor must these excesses be cited in wholesale condemnation of the movement itself, because every revolution since that in France in 1789 could be dismissed in the same way.

Although history proves that human life is of little account in the march of events—except in personal bereavement how little has the world felt the loss of ten million men who died on the battlefield?—it is well to answer specific accusations of assassination by remembering that political murders have been less frequent in the recent history of Italy than in similar periods elsewhere, and that every effort is being made and the severest measures taken to insure the maintenance of order and to avoid bloodshed.

As to the theory of Fascism itself, it seems childish to condemn it on the

strength of its being anti-democratic, when the very scope of the Fascist revolution is to discover an alternative to democracy. It is certainly difficult for the English and the American peoples to admit that all countries do not necessarily have to pass through the same mold; that the liberal doctrines of Great Britain are not the Magna Charta of the whole world, that what is acceptable to the United States may be injurious to Italy. Even more difficult is it to make people realize that no system of government is in the course of time any better than another except in so far as it is suited to historical conditions, and further, that arbitrary changes are impossible.

For centuries Italy has been the prey to foreign exploitation and her territory occupied by invaders. The result was that the Italian people learned to look upon Governments with suspicion and hatred. A deep-rooted political skepticism and an anti-national individualism developed. During the sixty years before the Fascist revolution, this Italy was governed by a democratic and liberal system as if it were a country like Great Britain, where centuries of independence, national welfare and civic training had made such a system of government possible and desirable. This system did not work successfully in Italy, and it became necessary to bring about radical changes in government and create a system more suitable to present conditions and future needs. Many of the much-criticized deficiencies of the Fascist rule, therefore, are either differences in theory which can be tested only by time and not by comparison with other political practices, or they are deliberate attempts to remedy what all honest Italians considered serious evils in Italian life.

The reaction against anti-nationalism, for instance, seems to Americans too violent because the United States is in reality more nationalistic than the Fascists can ever hope to make Italy. But those who have once too often seen how cultivated indifference, individualism and general "laissez faire" result in anti-national outbursts and civic disorders look around for a remedy and apply it with unfailing energy. Italians will never succeed in running their cities with a police whistle, but

they surely had to change the conditions which made it possible for the national flag and the uniform of army officers to be insulted.

In regard to the muzzling of the press, it must be noted that the law requiring a responsible editor and honesty in news reporting is not unlike that in New York State, where the press never descends to trivial calumny aiming at the destruction of the State, as is the case with the Italian newspapers recently called to task. The severest measure so far has been that for the suspension of *La Stampa*, the Liberal newspaper published in Turin. Action was taken, not on political grounds, but at the demand of officers of the regular army after a reporter had made the entirely unfounded assertion that Italian soldiers had been guilty of acts of vandalism during the recent military manoeuvres in Northern Italy. Freemasonry has exploited all the branches of the public administration for the benefit of its members, regardless of what the interest of the country demanded, and has brought upon itself a severe but not undeserved punishment, which is shared by organizations of international character, such as the Catholic Democracy and the Socialist International.

Italy, like Russia, has undergone a radical change politically, a transformation which has been accompanied and followed by disturbances partly inherent in every such crisis and partly due to protracted neglect of serious ills. The revolution is not yet complete and has to defend itself against counter-revolutions and against the excesses of its own extremists. Like Russia, Italy must resort to revolutionary methods, which are due to outside pressure and which no one in the circumstances can avoid, but which proceed from entirely different principles. In one case dictatorship, State reforms, and so forth, are designed, in theory at least, to bring about a state of justice primarily beneficial to the individual. On the other hand, the Fascist State reacting violently against the habitual Italian tendency would consider the individual as subordinate to the nation. Fascism teaches that the essential thing is to have a great Italian civilization made up of spiritual values of all kinds, artistic,

scientific and religious. To furnish the material conditions that guarantee such a civilization it is assumed that individuals may have to sacrifice their wealth, their comfort and their conception of liberty to this their higher life. In any case the individual must find his own welfare in the light which is reflected back to him from the nation, from that sum total of values to which he has contributed.

This ethical principle is so profoundly rooted in the younger generation of Italians that Mussolini has no need to seek war as a diversion to maintain an authority which has stronger national support than any movement has ever had in Italy. Recent events, and conspicuous among them the signing of the Locarno treaties, are sufficient denials to any such assertion. The almost disappearance of unemployment as well as diminishing emigration—due to improved conditions at home rather than restrictive legislation abroad—and the agreement bringing capital and labor into close collaboration as a substitute for class struggle, are by far more interesting subjects of discussion than superficial criticism of the methods whereby the Fascist State strives to maintain and consolidate itself. It helps but little to listen to the allegations of disgruntled critics and even of honest inquirers. It would be easy enough to find in every revolutionary period in exactly the same wording those very objections that are raised against the Fascist militia. No doubt there are cases of unfair treatment, injustice to individuals, suppression of ideas and the taking of life, but the question is, What is all this leading to? And the answer cannot as yet be given.

There is a very important point in common between Russia and Italy. It is that both revolutions have become realities which cannot be erased from the pages of history. We can today affirm with some degree of certainty that whatever happens in the future of both Italy and Russia, and with them of the rest of Europe, will be influenced in a very noticeable manner by these two political experiments. A sneering and superficial condemnation passed on either one of them, therefore, betrays a total lack of the historic sense.

Denial of Serbia's War Responsibility

By ALBERT H. PUTNEY

Dean, School of Diplomacy and Jurisprudence, American University,
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1913-1920

SUBMITTED to those tests of truthfulness and reliability which may properly be demanded for all charges of so serious a character, the accusations made against Serbia by Professor Fay in his articles in the October and November numbers of *CURRENT HISTORY* fail woefully to carry conviction with them.

It might be said in this connection that Professor Fay in his articles has brought forward no new facts in connection with the question upon which he writes. All his assertions have been many times presented and as many times answered. All that is new are the arguments by which Professor Fay attempts to support his conclusions drawn from well-known facts. It is hard to see the justification for his statement that "for nearly a decade the truth about the Sarajevo plot has remained mysterious and unknown. The Austrian evidence was neglected, discredited or ridiculed." The fact of the matter is that the opponents of Austria-Hungary have constantly quoted the official publications of the Government of this Empire as the most conclusive proofs of its war guilt.

Professor Fay relies mainly for the proof of his case upon the testimony of three Serbians. One of these devotes himself almost entirely to the record of a man who, as shown in these very articles, was afterward executed as a traitor to Serbia; the second, "a Yugoslav journalist," was not a Serbian subject and no connection between him and any responsible Serbian official is shown; the third, upon whose testimony Professor Fay principally rests his case, is Ljuba Jovanovitch, who was Minister of Education in the Serbian Cabinet in July, 1914, and who was recently President of the Skupshtina of the new Kingdom of the Serbs, Croats and Slovenes.

If there is any evidence advanced in Professor Fay's articles which tends to sus-

tain his charges against Serbia, it is to be found primarily in a paragraph which he quotes from a recent article by M. Jovanovitch. That paragraph reads as follows:

I do not remember whether it was at the end of May or the beginning of June, when one day M. Pashitch said to us (he conferred on these matters more particularly with Stojan Protitch, who was then Minister of the Interior), but this much he said to the rest of us: that certain persons were making ready to go to Sarajevo to murder Franz Ferdinand, who was to go there to be solemnly received on St. Vitus Day. As they told me afterward, this plot was hatched by a group of secretly organized persons and by patriotic Bosno-Herzegovinian students in Belgrade. M. Pashitch and the rest of us said, and Stojan agreed, that he should issue instructions to the frontier authorities on the Drina to prevent the crossing over of youths who had already set out from Belgrade for that purpose. But the frontier "authorities" themselves belonged to the organization, and did not carry out Stojan's instructions, but reported to him (as he afterward told us) that it was too late, because the youths had already crossed over.

Professor Fay follows this quotation with the following comment: "From this it appears that the whole Serbian Cabinet knew of the plot a month or so before the murder occurred, but took no effective measures to prevent it." It is very manifest that no such conclusion necessarily follows from this admission of Jovanovitch, which merely shows that the first measures taken by the Serbian Government to prevent the tragedy failed. After this failure the Serbian Cabinet adopted other measures to prevent the tragedy, and the fact that these later measures were not successful was mainly the fault of the Austro-Hungarian officials. It is to be noted that Professor Fay in his first article makes no mention of the fact that any notice was given by Serbia to the Austrian officials. He, in fact, creates in the minds of his readers the idea that no such notice

was given, by making the positive statement that a certain kind of notice was not given, and then failing to explain the fact that a second notice was given in a different manner.

It is not until late in his second article that the writer, for the first time, refers to the important fact that notice was given to the Austro-Hungarian Government. On June 5, twenty-three days before the assassination, the Serbian Minister at Vienna notified Dr. von Bilinski, then Finance Minister and Minister for Bosnia, that Archduke Ferdinand might be in great danger if he made his projected visit to Sarajevo. It has been objected that such warning was vague and indefinite, but no evidence has ever been introduced to show that the Serbian officials themselves possessed anything but the vaguest information as to the impending plot. Professor Fay attempts to belittle the notice by saying that: "Instead of following this proper diplomatic procedure, Jovanovitch went informally to Bilinski, the Minister of Finance. * * * The Austrian Foreign Office never received any 'warning' of any kind from the Serbian Government."

BILINSKI'S POSITION

There is an inexcusable omission in this paragraph. M. Bilinski was not only Minister of Finance, but also Minister for Bosnia. He was, therefore, the natural and proper party to receive information relative to rumors that an attempt to assassinate the heir to the Habsburg throne would be made in that province. It must, of course, be admitted that the Foreign Offices in many countries resent any attempt of Foreign Ministers accredited to their countries to communicate directly with any of the other departments of the Government. It may be necessary to concede that the Serbian Minister at Vienna, in order to take a short cut in a case where time was pressing, was guilty of a diplomatic faux pas. This is hardly a sufficient ground, however, upon which to charge Serbia with responsibility for the World War. The all-important point is that the Austrian officials did receive a warning from Serbia in time to act upon it *if they desired so to do*.

To understand the situation in Vienna

when the Serbian warning was received in June, 1914, it is necessary to go back and review the events of the preceding two years. Even the Turks themselves had been little more discomfited by the success of the Balkan allies against Turkey than had the Austro-Hungarian rulers. The freeing of the Serbs, who had suffered under the Ottoman oppression, necessarily aroused the hope for freedom among the Serbs and other Yugoslavs who still continued to live under Habsburg misrule. That this condition arose was not the fault of the Serbian Government, but was inherent in the indefensible organization and government of the Austro-Hungarian Empire.

The situation was necessarily a delicate one. On the one side of an artificial boundary, members of the Serbian race lived in political freedom; on the other side, they suffered under the oppression of a medieval despotism. Under these conditions the Austrian and Hungarian leaders came to the conclusion that free Serbia must be crushed, and as early as 1913 they were actively seeking a pretense for war against their small neighbors.

That Austria did not attack Serbia in 1913 was apparently due to the stand taken by Italy, at that time still a member of the Triple Alliance with Germany and Austria-Hungary. This is proved by the statement made by Signor Giolitti in the Italian Parliament in December, 1914, showing how Austria-Hungary had notified Italy in 1913 of an ultimatum which she had prepared for transmission to Serbia, and which was similar in many respects to the ultimatum actually presented in 1914, and had asked Italy to consider a war based upon such an ultimatum as coming under the terms of the Triple Alliance, and how Italy had replied that such a war would not be a war of defense and that Italy would not consider herself bound by the terms of the Triple Alliance to aid Austria-Hungary in a war so begun.

In 1914 the Austrian and Hungarian leaders were manifestly looking for an excuse to begin a war against Serbia. In the Literary Digest History of the World War, Vol. I, p. 64, it is stated:

In a pamphlet (entitled "The Sarajevo Murder and Count Tisza's Responsibility for the World

War") published in Austria early in 1919, and written by a priest who was formerly spiritual adviser to the Duchess of Hohenberg (the wife of Archduke Ferdinand), it was directly charged that the Court of Vienna and the Hungarian nobility had instigated the Sarajevo assassinations. The author's theory was that Ferdinand and his wife were sacrificed in order to pave the way for a break with the Serbians. The author declared that Francis Ferdinand had repeatedly refused to go to Sarajevo, and it was only an appeal to his courage that induced him to make the trip. "He was simply led into a trap prepared by the Court at Vienna and by the Hungarian aristocracy, headed by Count Tisza."

It is very improbable that Austrian officials instigated this murder; on the other hand, it is more than possible that having knowledge that the plot for his assassination existed, they encouraged the Grandduke to visit Sarajevo, and failed to take proper precautions for his safety.

AUSTRIA'S DOUBLE MOTIVE

The murder of Ferdinand by a member of the Serbian race would solve the greatest problems which confronted the high Austrian and Hungarian officials and nobility. It would rid them of an heir to the Habsburg thrones whom they hated and feared on account of his comparatively liberal tendencies and would furnish the sought-for excuse for the war with Serbia.

Professor Fay charges that "The Serbian Government was thus criminally negligent, to say the least." There is much greater reason for making this very charge against the Austro-Hungarian officials. In the solution of all crimes one of the first steps is to find the motive. In the case under discussion there was no conceivable motive for the Serbian Government to encourage a plot for the assassination of the Archduke Ferdinand. The murder of one man could not weaken Austria-Hungary or aid the cause of Serbia, while any connection of Serbia officially with such a plot would be certain to diminish the sympathy which other countries might have with the Serbian cause. On the other hand, what the reactionary Austrian and Hungarian leaders had to gain by this murder is too manifest to require further comment.

The fact that these Austro-Hungarian officials seized upon this assassination as an excuse to force war upon Serbia is so ap-

parent as to be outside the field of doubt or discussion. It is proved from the facts presented in the "Austrian Red Book" based on materials found in the archives of the old Austro-Hungarian Foreign Office and written by a publicist named Dr. Roderick Gooss. In this book is contained the minutes of a ministerial council held in Vienna on July 7, 1914. The text of these minutes was printed from the Red Book by the Vienna Arbeiter Zeitung and translated into English for CURRENT HISTORY.

Briefly, it may be said that the report of this meeting clearly proves the determination of the Ministers present to make the assassination of the Grandduke an excuse for forcing war upon Serbia. The Imperial-Royal Premier said: "First of all, clarity should be reached on the question whether the time had not come to make Serbia harmless once for all through an expression of force," and that, "Such a decisive blow would not be struck without diplomatic preparations, so he had got in touch with the Serbian Government."

The Joint Finance Minister (Bilinski) called attention to the fact that the military commander of Bosnia and Herzegovina had desired war with Serbia for two years. Warlike speeches were made by other Ministers. All the Ministers present, except one, agreed that "such far-reaching demands must be presented to Serbia as to make their rejection foreseen, so that the way to a radical solution through a military attack would be prepared."

How Austria-Hungary framed what were perhaps the most humiliating demands that one sovereign State ever presented to another in recent years, how these were accompanied by an ultimatum allowing only forty-eight hours for a reply, how, in the interests of peace and under advice from Russia, Serbia conceded all the demands except one, how she offered to submit this one final demand to arbitration and how Austria-Hungary rejected this reply and immediately declared war are too well known to require anything more than a mere mention.

EUROPEAN WAR INEVITABLE

The question as to the responsibility for the World War is really a double one—first, what were the causes that for many

years had rendered a general European war inevitable, and second, what were the reasons which caused such a war to begin in 1914?

The great underlying causes of the war were two in number. Questions as to trade rivalries, colonial possessions, or spheres of influence, however vital or numerous, are always capable of peaceful adjustment, as was so strikingly shown by the Anglo-French agreement of 1904 and the Anglo-Russian agreement of 1907. No ground of peaceful settlement was apparent, however, for the problems presented by the long-disputed Franco-German frontier and by the existence of the Austro-Hungarian Empire.

The former had for centuries been the greatest breeder of European wars. Unfortunately for themselves and for the whole of Europe, the two great peoples of France and Germany have never been separated by any natural boundary—either geographical, racial, or historical. The frontier which separated them has changed so often that it is impossible to follow the modifications. It must be said, in fairness to Germany, that there is no natural right on one side or the other in this long drawn-out and bitter controversy; and that, as in 1914 Germany held the disputed territory, it was France which was hoping for an opportunity to arise which would enable her by force to regain her frontiers of 1870.

The other great cause of war was of a very different character. The very existence of a country created along such lines as those of the Austro-Hungarian Empire made a permanent peace in Europe impossible. Austria-Hungary never was a nation, and was never entitled to be considered as such. As was well said by T. P. O'Connor, the famous Irish representative in the British Parliament: "An 'Austrian people' exists only in the imagination of certain English writers. There never has been an Austrian nation and never will be. There is only a large number of nations, differing absolutely from each other, each with its own distinct, long and glorious history, all hating their tyrannical masters, and detesting all community with them, even federation."

In the nineteenth century in Europe no

country could continue to exist where twenty millions of the population tyrannized over thirty millions of members of other white races. Professor Fay attempts to minimize this misgovernment by saying: "The Austrian 'oppression' in the districts occupied by the 'unliberated populations' (whose 'liberation' was one of the aims and results of the participation of several powers in the World War) has been so often and so eloquently described by writers before the war, as well as in the propagandist literature since July, 1914, as to need no repetition here. It began with the necessarily strict measures adopted by Austria upon the annexation of Bosnia and Herzegovina in 1908, and increased during the ferment caused by the Serbian victories and the great expansion of Serbian territory during the First Balkan War in 1912."

AUSTRIAN "OPPRESSION"

Yes, the story of Austrian oppression of her Slavic subjects has been often and *truthfully* told by careful and unprejudiced writers, nor was this "oppression" of so trivial a character that it can be slurred over and disposed of by the writer's use of a few quotation marks. Professor Fay is guilty, however, of an inexcusable error in saying that this oppression began in 1908. It began a thousand years before that date, at the time when Slovaks and Yugoslavs first had the misfortune to fall under the Austrian and Magyar yoke. It continued without a break until that day, ever to be blazoned in the annals of human liberty, when the artificial and inexcusable Habsburg Empire collapsed like a soap bubble in the Fall of 1918.

It was the Austrian treatment of her subject races—not Serbian agitation and propaganda—which caused the constant discontent and unrest throughout the Slav sections of her empire. Among the millions of her Slav subjects there were naturally, and almost inevitably, a few individuals, who, by brooding over the continued and apparently perpetual wrongs inflicted upon their race, were driven into such unfortunate deeds of violence as the murders at Sarajevo.

As long as the Austro-Hungarian Empire existed the certainty of a colossal war hung over Europe. The fact that it oc-

curred in 1914 was to a considerable extent an accident; it might very easily have occurred in 1908, or 1911, or 1913; and, on the other hand, it might as easily have been postponed to 1915 or 1917.

GERMANY'S MOTIVE

Austria-Hungary earnestly desired to bring it about in 1913, but Germany was not at that time as yet persuaded. The fact that Germany was so much more receptive to the Austrian requests in 1913 than in 1914 was largely due to an incident which happened in February, 1914, which has been almost overlooked by historians and students of the World War, but which played an important part in deciding that the war should begin in that year. This incident is shown by the following extract from the *St. Petersburg Novoe Vremya* of Jan. 26 (new style Feb. 3), 1914:

In the Budgetary Commission during the examination of the estimate of the Ministry of Foreign Affairs, Sazonov gave some explanations. Questions were put to him concerning the Russian international situation and political interests. The replies of the Minister, however, have not been given to the press.

When asked as to the conditions on which it is proposed to close a new commercial treaty with Germany, he said that the treaty would be closed in 1917 and that the Russian Government must be fully prepared to that time. Russia's policy should be so conducted that Germany should not find us unprepared. Particularly, measures should be taken to prevent Germany from making complications for us abroad and from taking advantage of such complications for her own benefit, as she did during the anxious time for Russia of the year 1904, which resulted in a commercial treaty with enormous advantages for Germany.

This treaty, forced upon Russia during the Russian-Japanese War, was of such financial importance to Germany that its termination meant a financial crisis in this country. This is shown by the expressions in the German papers of that period. Though the warlike tone of these articles was stopped by official command, there is little doubt that the high German officials from this time on felt that a war with Russia was inevitable, and if a war between the Triple Alliance and the Triple Entente was to come there was no European statesman who did not clearly understand that

the, sooner it came the better it would be for the former group. It was therefore natural that Germany did not try to restrain Austria-Hungary in 1914, as she had done in 1913.

The terrible World War did not result entirely in evil. The freeing of 60,000,000 people from alien rule may be considered as a fair set-off against all the losses and miseries of the war. For the first time in history the boundaries of Europe have (with a few relatively unimportant exceptions) been arranged along racial lines. For the first time in history Europe contains boundaries which may fairly be accepted as a basis of permanent peace. The greatest enemies of European peace are those propagandists who are trying to restore old boundaries in Europe which will carry with them the medieval rule of one race over another.

YUGOSLAVS WORTHY OF FREEDOM

Among the peoples who thus recovered their liberties were the members of the various branches of the Yugoslav nation, and it should be added that never has a nation better earned or deserved it. The long conflict which the members of this race waged to recover their independence constitutes one of the most thrilling chapters in modern history. It was in this case no story of a brief dramatic struggle such as that of the Greeks at Marathon and Thermopylae, or that of the Swiss at Morgarten and Sempach. It was a conflict maintained with grim determination, generation after generation, century after century, against the seemingly overwhelming power of the medieval despotism of the Ottoman and Habsburg Empires. Never has there been a better illustration of the truth expressed in the old poem:

"Freedom's battles once begun,
Bequeathed from dying sire to son,
Though baffled oft, are ever won."

Apparently crushed on the battlefield of Kossovo, the Serbians, instead of sinking helplessly into the condition of Turkish serfs, drew an inspiration from the conduct of their heroic though defeated army. Instead of becoming the mark of defeat and subjugation the name Kossovo became the watchword of resistance and future liberty. The Serbians rank with the citizens of our

own country as the only races who celebrate the anniversary of a battle which they lost.

From the day of the Battle of Kossovo to that of the Versailles Conference no generation failed to see some portion, at least, of the Serbian people standing in arms against their Ottoman conquerors. Some of the race fled to the natural fortresses of the Black Mountain, where they waged their constant and, in general, successful warfare against the Turkish troops. Others retreated to the borders of the Habsburg Empire, where they became the military outpost which so often bore the main brunt of the Ottoman attacks against Austria and Hungary, a service which the Habsburg monarchs repaid in so shameful a manner.

Twice in the closing years of the eighteenth century all Serbia flew to arms as allies of a Christian country which had declared war against Turkey, only to be utterly betrayed by both Austria and Russia in turn, when these countries found it for their advantage to make their peace with the Ottoman Empire.

Early in the nineteenth century the Serbians undertook the work of their own deliverance, and twice, once under the leadership of Kara George, the ancestor of the present King of the Serbs, Croats and Slovenes, and again under the leadership of Milasch Obrenovitch, drove the Turks out of Serbian territory. The complete-

ness of the independence of Serbia was increased step by step until in 1862 the Turks were compelled to withdraw their last soldier from Serbia and a single green flag on the fortress of Belgrade remained as the only sign in all Serbia of Turkish sovereignty. The recognition of Serbian independence by the Treaty of Berlin was not a grant of independence, but the recognition of an accomplished fact. Of all the Christian races which fell under Turkish rule, the Serbians were the only ones who recovered their independence by their own efforts.

The opening years of the twentieth century, through the agency of the Balkan War and the great World War, gave to the remainder of the Yugoslav nation the freedom and independence which they so richly deserved.

Of all the new countries which the United States has been called upon to recognize during its national existence there is none which the freedom-loving citizens of this country should welcome with greater pleasure into the family of sovereign nations than this new independent country of the Serbs, Croats and Slovenes. There is no chapter in the history of the foreign policy of their country in which they should take greater pride than the part played by the United States in bringing to its completion the centuries-old dream of the Yugoslavs for political independence and national unity.



New Light on Russia's War Guilt

By ROBERT C. BINKLEY

Librarian, Hoover War Library, Stanford University

THERE has come to light in the archive collection of the Hoover War Library the journal of the meeting of the Russian Council of Ministers on July 24, 1914, a significant document on the origin of the war, herewith published for the first time. To assign this document to its place in the great dossier on war responsibility requires no detailed analysis of the sources and literature which have already appeared in print, but rather a review of the general trend of the ten years' debate on war origins.

There have been three concepts under which from time to time we have classified and rearranged our knowledge of the origin of the war: The concepts of guilt, of responsibility and of cause. The notion of *war guilt* is borrowed from criminal law. It carries with it the implication of criminal intent. "Actus non facit reum nisi mens sit rea" runs the maxim: "The act is not criminal without the guilty mind." A nation which may have wished for war without actually bringing it about, or which may have desired war at some other time, but not in July, 1914, or which unintentionally brought about the war in 1914, is not guilty in the legal sense of the word. A war-guilty nation would be one which willed the war and then accomplished its will by its own acts or decisions.

The view prevailed in the earlier stages of the controversy that some nation or nations were guilty in the sense implied by the analogy with criminal law, but more recently the notion of war-guilt has tended to be supplanted by that of *war responsibility*, an idea which appeals to the analogy of civil rather than criminal law. Responsibility is a matter of degrees; it may ignore the factor of intent. An innocent blunderer may be responsible at civil law though not guilty of crime. These views, naturally, do not carry over into the field of international law in any positive sense, but they guide our minds, perhaps without

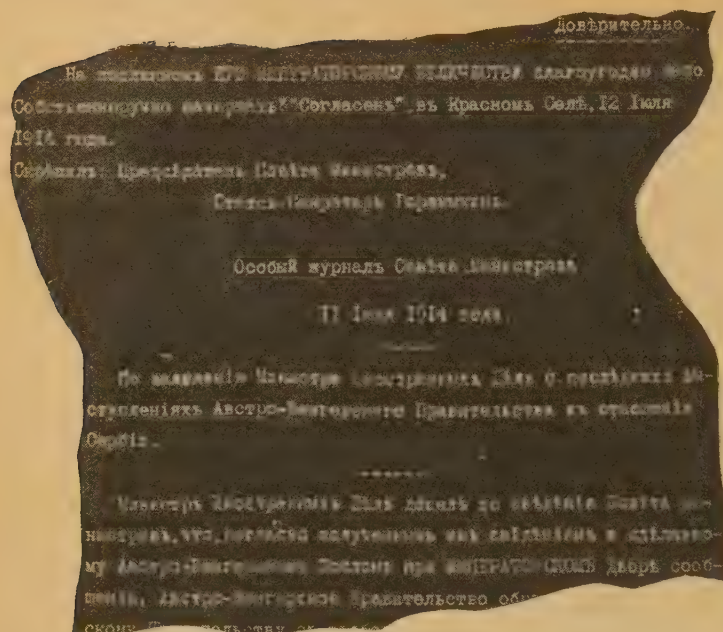
our knowing it. It is noteworthy that the much-disputed Article 231 of the Treaty of Versailles asserts Germany's responsibility, not her guilt; there is no charge of criminal intent. The German translation obscures the thought, which is very clear in the English and French texts. In the English version the article reads as follows:

The Allied and Associated Governments affirm and Germany accepts the responsibility of Germany and her allies for causing all the loss and damage to which the Allied and Associated Powers and their nationals have been subjected as a consequence of the war imposed upon them by the aggression of Germany and her allies.

The idea of cause is a historical rather than a legal concept. It is the most general and inclusive of all, lending itself, on the one hand, to metaphysical subtleties; and appealing, on the other hand, to our soundest common sense. Through all these years there were some minds which preferred to dwell upon causes, such as "Imperialism," "Militarism" or "The European State system" and to subordinate the question of personal or national responsibility or guilt.

The trend of post-war disclosures and studies has been to discredit the theory of a guilty nation and also to throw doubt on the view that any one nation bears sole responsibility. Recent writers, in general, have confined themselves to attempts to assess varying degrees of responsibility among the Great Powers.

Even though the more careful opinion of the world has moved away from the search for a war-guilty nation, the war-guilt argument is not dead. Within the past year a hitherto unsuspected nation, Serbia, has been put in the prisoner's dock and a heavily documented case has been made against her. Sidney B. Fay, in the October number of the *CURRENT HISTORY MAGAZINE*, sums up the evidence. France and Russia have been under suspicion. The fact that the heads of the French Govern-



Part of photostat of confidential document containing plan drawn up by the Czar's Council of State to meet the crisis in 1914. (From the Hoover War Library)

ment were in conference with the Russian Government in St. Petersburg up to the day before the Austro-Serbian crisis broke, that they were forewarned of the general character of the move to be made by Austria, and that no full account of their conferences has ever been published, has led some writers to conclude that a plot to bring on the war was hatched by the Russian and French Governments. The old belief that Germany "willed the war" still lingers in many minds. Consequently we welcome every new piece of evidence which helps us to know the original frame of mind in which the respective Governments first set their fateful courses in the ten days preceding the war.

RUSSIA'S WILL TOWARD PEACE

The present document bears more significantly upon the special question of war guilt than on the more general questions of responsibility or cause. It gives us additional evidence from which we can draw conclusions as to the original plans of the Russian Government for meeting the European crisis. The Austrian ultimatum to Serbia was delivered at 6 P. M. July

23; the facts, foreshadowed in previous communications, were before Sazonov, Russian Foreign Minister, the next morning. At 3 in the afternoon of July 24 the Council of Ministers met "to prepare an answer that might be given to Serbia" as to Russian support. The advice given Serbia in a secret telegram to the *Chargé d'Affaires* at Belgrade (No. 1487; *Krasny Archiv*, 4, 46-47) was singularly pacific in tone: Let Serbia offer no armed resistance to Austria-Hungary, but "draw up an appeal to the Great Powers * * * proclaim the

impossibility of her taking up the unequal combat and beg the intercession of the Powers, relying on their sense of justice."

Serbia did not take the advice Sazonov gave her. She suggested to Austria that the dispute be laid before the Powers, notified the Powers of her suggestion to Austria, expressed the hope that Austria "would see her way clear to accept" the Serbian reply, and declared that the Serbian army would "defend the country to the best of their ability in the event of Serbia being attacked." These measures lacked the element which might have made it possible for Sazonov peacefully to "Europeanize" the question. Serbia did not appeal to the Powers for intervention but to her Ally for aid; she did not at any time use the pregnant idea of passive resistance. (For confirmation of the foregoing statements, see Serbian Blue Book, Nos. 38, 39, 41, 47.)

We have no evidence as to Serbia's motive in failing to follow Sazonov's advice, but we must take note of the fact that Russia's original plan for meeting the

crisis was thwarted no less at Belgrade than at Vienna.

The plan herewith set forth, as adopted by the Council of Ministers, was the only diplomatic plan which we know to have been sanctioned by the full authority of the Russian Government. (An account of this Council, with a brief summary of its conclusions, appears in von Schilling's diary, *Krasny Archiv*, 4, 8.) There is reason to believe that if any plan was concerted with France before the departure of the French Mission, this is that plan. True, it represents only a momentary aspect of the political situation; by the following morning, when it was taken to Tsarskoe Selo for approval by the Czar, the situation had so far changed that the mobilization of the Baltic fleet as well as the Black Sea fleet was authorized and the "state of preparation for war" decreed for the whole Empire. The journal of the Council of Ministers sheds no light on the later and more critical developments, but it strongly testifies that the original intent of the Russian Government (perhaps, by implication, of the French Government also) was honorable and pacific. The text of this newly discovered document in English translation follows:

[COPY]

TEXT OF RUSSIA'S PLAN

On the original his Imperial Majesty was so gracious as to write with his own hand, "agreed to," Tsarskoe Selo, 12 July, 1914.

Countersigned: PRESIDENT OF THE COUNCIL OF MINISTERS,
STATE SECRETARY GOREMYKIN.
SPECIAL JOURNAL OF THE COUNCIL OF MINISTERS.
11 July, 1914.

Subsequent to the declaration made by the Minister of Foreign Affairs regarding the most recent measures taken by the Austro-Hungarian Government against Serbia.

THE Minister of Foreign Affairs informed the Council of Ministers that, according to information received by him and according to the announcement made by the Austro-Hungarian Ambassador to the Imperial Court, the Austro-Hungarian Government had turned upon the Serbian Government with demands which appeared, in fact, to be quite unacceptable to the Serbian Government as a sovereign State, and which were drawn up in the form of an ultimatum calling for a reply within a definite time, expiring tomorrow, July 12, at 6 o'clock in the evening.

Therefore, foreseeing that Serbia would turn to us for advice, and perhaps also for aid, there arose a need to prepare an answer which might be given to Serbia.

Having considered the declaration made by

Marshal Sazonov in its relation to the information reported by the Ministers of War, Marine and Finance concerning the political and military situation, the Council of Ministers decreed:

1—To approve the proposal of the Minister of Foreign Affairs to get in touch with the Cabinets of the Great Powers in order to induce the Austro-Hungarian Government to grant a postponement in the matter of the answer to the ultimatum demands presented by the Austro-Hungarian Government, so that it might be possible for the Governments of the Great Powers to become acquainted with and to investigate the documents on the Sarajevo crime which are in the hands of the Austro-Hungarian Government, and which, according to the declaration of the Austro-Hungarian Ambassador, it is willing to communicate to the Russian Government.

2—To approve the proposal of the Minister of Foreign Affairs to advise the Serbian Government, in case the situation of Serbia should be such that she could not with her own strength protect herself against the possible armed invasion by Austro-Hungary, not to offer armed resistance to the invasion of Serbian territory, if such an invasion should occur, but to announce that Serbia yields to force and that she entrusts her fate to the judgment of the Great Powers.

3—To authorize the Ministers of War and of Marine, in accordance with the duties of their offices, to beg your Imperial Majesty to consent, according to the progress of events, to order the mobilization of the four military districts of Kiev, Odessa, Moscow and Kazan, and the Baltic and Black Sea fleets.

[Note by the Acting Secretary of the Council: "In the original the word 'Baltic' has been added by his Imperial Majesty's own hand, and the word 'fleet' corrected to read 'fleets.'"]

4—To authorize the War Minister to proceed immediately to gather stores of war material.

5—To authorize the Minister of Finance to take measures instantly to diminish the funds of the Ministry of Finance which may be at present in Germany or Austria.

The Council of Ministers considers it its loyal duty to inform your Imperial Majesty of these decisions which it has made.

The original is signed by the President and Members of the Council and countersigned by the Acting Secretary of the Council.

[The pages from which this translation is made are to be found in mimeographed form in a heavy bound volume: Hoover War Library, Russia, R. 968, "Vysochaishhe utverzhdennyye zhurnaly Sovieta Ministrov i Osobykh Sovieshchaniy, 1914. Otdielenie 2, K. S. M." The date, July 11, corresponds to July 24 N. S. The journal of the meeting held the following day is to be found in the same volume; thenceforth no meetings are recorded until after the outbreak of the war.]

The Cause of Germany's Defeat

By S. MILES BOUTON

Formerly Associated Press Correspondent in
Germany and now Berlin Correspondent of
The Baltimore Sun

THE result of the important official investigation begun by Germany five years ago to determine the causes of the German military collapse in 1918 and to place the responsibility for it has at last been made known. The findings may be briefly summarized as follows:

"Unpleasant incidents" occurred here and there in Germany during the World War—especially conflicts of authority—and at least one grave political mistake was made, but no actual responsibility for the collapse can be brought home to any person or group of persons. Great men were lacking, "but it cannot be demanded of any one that he shall be a great man. Fate determines whether such men shall be available in the crises of a nation's development. This gift of fate was denied to the German people during the World War."

The investigation was carried out by a committee appointed by the Reichstag and embraced members of the German National Party, the German People's Party, the Centre, the Economic Union and the Socialist Party. This committee was aided in its work by three experts, Colonel Bernhard Schwertfeger, General von Kuhl, who was Chief of Staff in Crown Prince Rupprecht's army, and Professor Hans Delbrück, the historian. The findings of committee and experts are to be published by the Deutsche Verlagsgesellschaft für Politik und Geschichte, which has published all the documents thus far made public by the Foreign Office—a publication which has already exceeded twenty large volumes, with many more to come.

The findings of the committee were for the greater part unanimous. Where there was any difference of opinion only the Socialists voted against the other members, and their objections are almost without



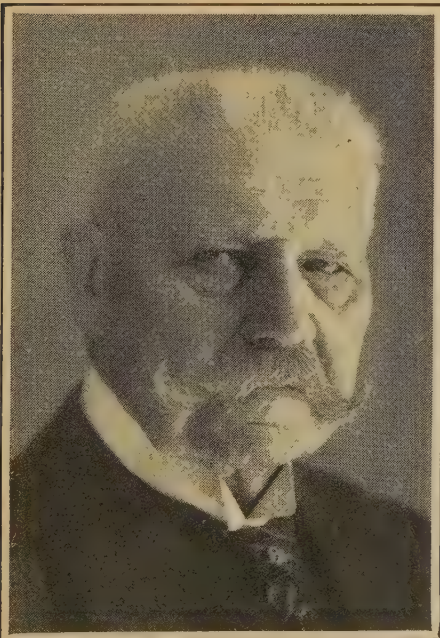
The ex-Kaiser Wilhelm II as the War Lord
of Germany

exception obviously partisan, doctrinaire and highly subjective. Thus they voted against a finding that "the supreme army command was dominated at all times by a firm belief that it was serving the Fatherland's welfare," and also against the conclusion that the increasing effects of the hunger blockade made the enemy steadily less disposed to a peace of understanding, "since the enemy believed that hunger would win the war." Not only did the enemy so believe, but he proclaimed his belief daily and hourly for months. No objective and politically unprejudiced person can deny the truth of this finding of

the committee, nor, one can also assert, of the ascription to the supreme army command of patriotic motives.

The Socialists likewise objected to the majority conclusion that the Civil Government possessed no great personality strong enough to make his will prevail against the military authorities. That no such person existed in Germany is so patent that it is hard to see how even the German Socialists can deny it. They do not name the strong man or men whom they may have in mind. They agree, unexpectedly enough, that Colonel von Haeften's attempt in March, 1918, to get into communication with the American authorities through the intervention of a neutral State was of no importance and was made without the knowledge of either the civil or military authorities. They disagree with the general conclusion that no guilty responsibility for Germany's collapse rests on any person or persons, but they do not attempt to assign the guilt which they obviously assume to exist. The subjective character of their opposition is so clear that one is justified in disregarding it.

The chief factors responsible for Ger-



MARSHAL VON HINDENBURG
Second President of the German Republic

many's collapse were, in the opinion of the investigators, the following: The progressive weakening of military units by losses of men and material; the reduction of the fighting strength and morale of the individual soldiers through hunger and the subterranean defeatist propaganda of the Independent Socialists; the lack of reserves, and, perhaps most important of all, the Americans. These it was who made all hope of even a stalemate vain. If they had not come, the war could have gone on indefinitely.

It was not merely that there were more than 2,000,000 Americans in France when the armistice came, and that the fighting quality of the individual soldier was very high. Quite as important was the moral effect of their appearance, which put new life and new hope into the exhausted, discouraged French. The report quotes the Frenchman, Pierrefeuf, to show how "life came to us in new waves, bringing fresh strength to the almost bloodless body of France." The report finds that "the American soldier showed himself to be brave even when untrained. Our hope of bringing about a decision by our offensive in the Spring of 1918 before the Americans could arrive in considerable numbers was not fulfilled. We did not foresee the possibility of their reaching the front in such numbers as actually came from the beginning of the Spring on. We deceived ourselves regarding the transport facilities available and the effects of our submarine campaign."

In May, 1917, the supreme army command had been satisfied that "the Entente's requirements of tonnage make any large transport of soldiers impossible." The German military authorities, however, were most accurately informed of every arrival of American troops and knew their numbers within a few thousands at all times.

The report credits the American offensive of Sept. 12, 1918, with the loss of the German positions at St. Mihiel. The American offensive on Oct. 26 is, however, declared to have been greatly impeded "by their inadequate organization, for bringing up their reserves." The Americans are credited with playing "a great rôle" in the French counter-offensive beginning on July 18, when nine American

divisions eventually came into action—two in the offensive starting from Villers-Cotterets, four westward of Château-Thierry, and another three that were thrown into action later.

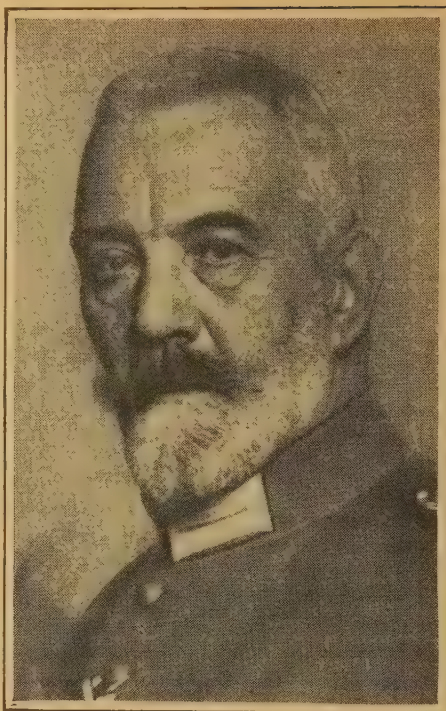
The end of the German offensive, on Aug. 8, was due, according to the committee and its experts, not merely to the enemy's resistance, but also, and even in higher degree, to the fact that the German troops were physically exhausted, that virtually no reserves were available, and that there was a shortage of all kinds of material, including especially ammunition. Yet even then Hindenburg and Ludendorff still believed that it would be possible to carry on a purely defensive warfare and to maintain their position on French soil.

As early as January and February, 1918, it had been possible to muster only 26,350 nineteen-year-old recruits. In August ten divisions had to be disbanded, in October twenty-two divisions. The average fighting strength of a battalion sank from 640 in December, 1917, to less than 200 in October, 1918, and a division counted at the last only 800 to 1,200 rifles—less than the strength of a single regiment at the beginning of the war. In October the eighteen-year-olds were called up. Reinforcements brought from the Eastern front "were to a large degree infected with Bolshevism. A part of the recruits consisted of young men from the munitions industry, who had theretofore earned big wages, had been influenced by anti-militaristic propaganda, and who exercised a disastrous influence on the front troops."

FRONT WEAKENED BY "DEFEATISM"

The revolutionary propaganda carried on by the Independent Socialists since the beginning of 1917 began to result early in 1918 in desertions en masse and in open mutinies at the front, against which the officers were virtually helpless. New recruits brought from the interior cried out to troops going into action that they were "Kriegsverlängerer," that is, that they were simply making the war last longer. Artillerymen who stuck to their posts to the last were denounced as "strikebreakers." The committee comments:

We would by no means assert that the war was lost solely because of the undermining of the



HERR VON BETHMANN-HOLLWEG
German Imperial Chancellor during the war

army. Many causes combined to overthrow Germany. But it has been proved that a considerable part of the responsibility for our collapse rests on the pacifistic, internationalistic, anti-militaristic efforts and the revolutionary undermining of the army from behind the lines.

The committee finds that the decision to take the offensive in the Spring of 1918 was justified. The morale of the army was still fair, it was in numbers nearly the equal of the enemy forces, and there was ammunition enough on hand, although there was a great shortage of horses and fuel for motors. The offensive was held up at some points by soldiers remaining in captured positions to eat the enemy's stores of food and drink his drinks, but the military experts believe the results were not serious. (I note in passing that they viewed this in a much more serious light in the Autumn of 1918, as I have recorded in my history of the German revolution, written the following Summer.)

One is somewhat astonished to find that the German armies were numerically only

some 200,000 men inferior to the enemy in the Summer of 1917, and that they maintained a greater number of divisions on the front for tactical reasons, although, as already pointed out, these divisions were much smaller than the French divisions, while the American division was twice as strong as the French. But there were no further reserves in 1918 and no more men could be withdrawn from industry, which, try as it would, could not keep pace with the requirements for material, particularly tanks.

It has been generally known that the influence of the military authorities grew steadily throughout the war, and that the civil authorities generally were more and more eliminated from power. The committee points out, moreover, that the Kaiser himself steadily surrendered more and more of his power and authority. It quotes a statement by the monarch in 1919 to a friend:

In quiet, reserved efforts I participated in the tireless work of the two commanders. It goes without saying that I submitted myself in all cases of doubt concerning operations to their superior judgment, and bowed to them even on Sept. 28, 1918, when they demanded an immediate armistice for the preservation of the army's fighting ability.

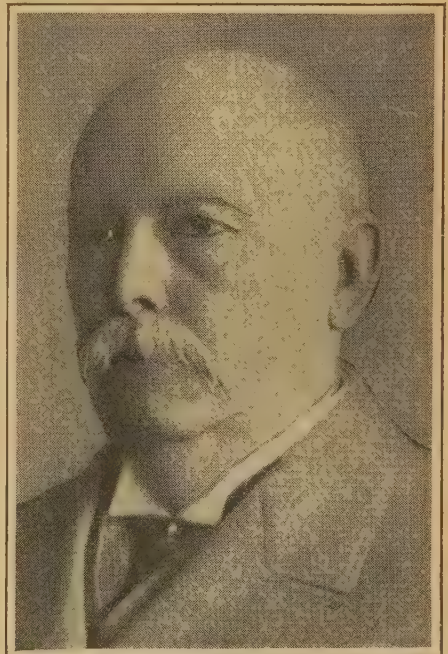
The Kaiser was most unwilling to consent to the dismissal of Chancellor von Bethmann-Hollweg, which had been demanded by Ludendorff. He knew, says the committee, much better than the military authorities how difficult it would be to find any man to take Bethmann's place. Ludendorff, however, announced that both he and Hindenburg would resign if the Chancellor stayed. Under-Secretary of State Wahnschaffe protested vainly that to dismiss the Chancellor at such a time would have evil effects at home and abroad, and would increase confusion generally. The army chiefs were obdurate and had the support of the Crown Prince.

KAISER'S SURRENDER OF POWER

The only really able man available as von Bethmann-Hollweg's successor was Prince von Bülow, but the Kaiser and he had been unfriendly ever since the famous interview with the monarch in The London Telegraph. The investigator's report says:

The Kaiser thereupon withdrew more and more from active participation in affairs. His undeniably highly developed sense of responsibility and a sensitiveness dating from the events of his youth led him to ask himself whether it would not be best for the German Empire to leave the leadership mainly in the hands of the men of the Supreme Army Command and to withdraw himself more and more. It is true that in various cases he later employed his personal authority as monarch to bring about a final decision, and on certain occasions he did not shrink from personal conflicts, painful as these were for him in his high conception of his dignity as Kaiser. But on the whole he interfered steadily less in political matters.

From day to day he abandoned de facto more of his authority as Commander-in-Chief, and repeatedly stayed away from the front during important operations in order not to embarrass the leaders by his presence. He continued to assume the responsibility for important decisions left to him, but there could no longer be any talk of the triumvirate that, in his opinion, was the happiest incorporation of the Supreme Command in the war. The chief was lacking. It was left to the politicians and the military men to carry on as they saw best. * * * Because of this increasing resignation of the monarch there was nothing to counteract the manner in which the military



HANS DELBRUECK
The German Historian

point of view gained ground in all matters. The good faith of the men of the Supreme Army Command cannot be disputed. They felt that they were serving the cause of the Fatherland by demanding the dismissal of a Chancellor who, in their view, was not competent. But they had not realized the results of their step in respect of the impossibility of finding a successor.

Colonel Schwertfeger, discussing this surrender by the Kaiser of his authority and rights, recalls the historical fact that the Emperor's grandfather was also compelled to bow to the men around him. He writes:

From the reports of the negotiations concerning the peace of Nikolsburg and before the conclusion of the German-Austrian alliance of 1879, we know that Bismarck had a hard time to induce the monarch to take steps which the Chancellor regarded as necessary. At Nikolsburg the personal intervention of the Crown Prince was required to move the Kaiser to desist from further demands on Austria. Just as in those days, when the King, deeply hurt, spoke of "a miserable peace," and declared that his chief counselor and his son had deserted him in the face of the enemy, so it would have required at various times during the World War sharp personal conflicts to settle the differences between the political and military counselors of the Kaiser. On several occasions, however, Wilhelm II sharply repulsed what he regarded as intrusions into the field of political leadership. * * *

In these cases, too, the person of the Crown Prince, albeit in a different manner than in 1866, played an important rôle. It was he who, in close agreement with Colonel Bauer, undertook the final attack that led to Bethmann-Hollweg's fall. This made the situation still more difficult for the Kaiser. He felt himself cribbed about in every direction by the trend of affairs. He himself was convinced that he had no available successor for the Chancellor. * * * The personal intervention of the Crown Prince added a new element of gravity to the situation.

The sole solution of the whole problem would have been for the Kaiser to step into the foreground and take over the supreme leadership in a most decisive fashion. The course of events demanded such a "legal dictatorship." But the monarch did not feel himself equal to such a step, and he had been so disheartened by all that

had happened that such a thought probably never occurred to him. He remained in the background, gave the men of the Supreme Army Command the most unlimited freedom of action and surrendered in increasing measure his personal influence. * * *

It was not a fault, but merely the workings of fate, that the German people at the time of their hardest conflict, did not have at their head a man with the qualities of Frederick the Great.

It is in this connection that Colonel Schwertfeger uses the words quoted at the beginning of this article, to the effect that "it cannot be demanded of any one that he shall be a great man."

ALL EFFORTS MADE TOWARD "JUST PEACE"

The committee, including its Socialist members, finds that there is nothing whatever to justify the charge that Germany's leaders overlooked any opportunity of securing a just peace before the final collapse came. All efforts possible were made, the last by Secretary of State von Hintze, who did his utmost from Aug. 14, 1918, to open some kind of negotiations. All his efforts and the efforts of others, however, were doomed to failure because of the steadily worsening military situation and the workings of the blockade. "No arts of diplomacy could have brought the Entente to the conference table," says the committee.

Charges of lack of cooperation between the civil authorities and the Supreme Army Command are declared unfounded. The Socialists also concur in this finding. It is, however, recorded again in this connection that the influence of the military authorities increased steadily after Chancellor von Bethmann-Hollweg's dismissal, and this despite a sharp proclamation by the Kaiser in January, 1918, to the effect that the Chancellor had the right to determine all actions in respect of foreign affairs.

Austria's Emergence From Bankruptcy

By EMIL LENGYEL

American Correspondent of Die Boerse and Die Stunde, Vienna; Formerly
Editor of The Hungarian Review of Vienna

THE League of Nations committee that was charged with the supervision of Austria's rehabilitation adopted at a meeting on Sept. 10, 1925, a resolution which virtually terminated the League's guardianship over the Alpine Republic and which was to come into effect as soon as the Austrian Parliament ratified the budget for 1926 and the League's experts verified the 1925 budget. Dr. Alfred Zimmerman, High Commissioner of the League, whose quasi-dictatorial power was thereby abolished, was to leave Vienna by the end of the year. He is, however, to continue to supervise a part of the budget bearing relation to Austria's revenue from tobacco and customs duties, which are mortgaged to cover the service of the international loan of \$130,000,000, floated under the League's auspices. Another stipulation of the committee's resolution was that, if within the next ten years the balance of the budget should be menaced or if the revenue covering the service of the international loan should not be sufficient, the League's control over Austria might be resumed. The foreign financial adviser attached to the Austrian National Bank is to remain in office until the League disposes otherwise.

The resolution having been confirmed by the financial commission of the Council of the League and by the Assembly, Austria became once more free to pursue her own purposes. Thus control by the League of Nations, the beginning of which

dated back to Oct. 4, 1923, when the first Geneva protocol was signed, was brought to an end.

Since the rehabilitation of Austria was a pioneer venture of the League of Nations, it is appropriate to ask a few questions. How did this experiment benefit or injure Austria? What reactions has it provoked in the economic and political relations of the republic? What lesson has the League learned as the result of its action?

Among the benefits we find valuable additions to the country's financial reorganization. After a period of dangerous economic dislocations, which had made her public finances extremely precarious, the budget has been balanced. The currency chaos has been replaced by sound monetary conditions through the stabilization of the exchange.

Expenditures have been reduced by the elimination of a most onerous item through the dismissal of a large number of State employees. And the Federal railways, formerly a cause of huge deficits, have been placed on a business basis. The aim of the reconstruction program was generally to make Austria a self-sufficient economic unit. Although this goal could not be reached in so short a time, considerable progress has been made in this direction.

Before the League régime, Austria's main difficulties had arisen from a perilous shortage of coal. The young republic had to supply its industries, railways and private households with coal bought at exorbitant prices from Czechoslovakia and Silesia. With the aid of the League loan,



Keystone

ALFRED ZIMMERMAN

The League of Nations Commissioner who was charged with the financial restoration of Austria

the Austrians have been enabled to devise means by which foreign coal could be all but dispensed with through the intensive use of water-power. The aggregate amount of water-power available for practical purposes is estimated at 2,000,000 horsepower, of which only about the sixth part had been utilized before the League assumed control of Austria. In the last two years some of the most important Alpine railway routes have been electrified in Tyrol and Voralberg by means of water-power transmission. A short time ago the City of Vienna opened its huge water-power plant, which furnishes power for the municipally owned public utilities. If present plans are carried out according to schedule, Austria will rank directly next to Switzerland as possessing the second largest water-power system in Europe.

IMPROVED TRADE BALANCE

Austria's trade balance, the status of which is the gauge of the country's vitality, has shown consistent improvement, according to C. H. Layton and Charles Rist, whom the Council of the League of Nations had appointed to investigate the financial conditions of the republic. It is true that, on the surface, exports covered only 57 per cent. of the imports in 1924, but it must not be forgotten, the experts say, that the former Dual Monarchy, too, was obliged to have recourse to loans in order to equalize the balance of payments and that the normal activities of present-day Austria present a variety of ways in which the country can cover its trade deficit. Austria earns a revenue of something between 100,000,000 and 200,000,000 gold crowns from the expenditure of visitors. It is estimated that revenues from foreign investments may have amounted in 1924 to between 400,000,000 and 500,000,000 gold crowns. The entrepôt trade of Vienna, payment for the services rendered to other countries by the banking, financial and commercial houses of the capital and receipts in respect of through railway traffic are other important sources of revenue from abroad. Thus, Austria's invisible exports may amount to from 600,000,000 to 800,000,000 gold crowns, which is about equal to the apparent deficiency in exports.

During the régime of the League of Na-

tions, Austria, in contrast to her neighbors, remained a "free trade" country. While the succession States have been erecting impenetrable tariff walls, the Austrian Government has remained impervious to the suggestions of the industrial magnates to raise the customs tariff. Although Austria has been subjected to many vicissitudes on this score she has taken her stand on realities, while her neighbors are still indulging in the chimeric hopes that their tariff barriers will make them models of the theoretic "isolated State," entirely self-sufficient and outside the economic cross-currents of the world.

Turning now to the liability side of the imaginary balance sheet of the League's stewardship we find items that are less tangible, but no less real, such as the effect on national prestige and "good will." In other words, these items represent psychologic factors.

The selection of Dr. Zimmerman as the "financial dictator" of the republic was never viewed with much satisfaction by the majority of the Austrians. During his régime the High Commissioner of the League of Nations—this was his official title—acted far too much in the manner of the bygone tyrants. Although his "benevolence" could not be questioned, he often counteracted the good results of his efforts by choosing a brusque and offensive form when making his will known to the Austrian people. In curing Austria's maladies he applied the most drastic remedies and never took the trouble to sugar-coat the bitter pill he prescribed. No wonder, therefore, that the Austrians did not shed tears at the thought of his leaving them.

During Zimmerman's despotic rule, the value of Austria's "good will" measurably appreciated. Treated as a "déclassé," Austria found her credit seriously impaired. Indeed, one could not help observing that this was the cause of the reluctance of foreign capital to seek investment in the Alpine republic. One of the greatest needs of Austria is an influx of foreign money. No doubt, as the experts point out, some success in this direction has lately been achieved, for in the last few months long-term loans have been raised

in Austria to the extent of about \$10,000,000.

The Austrian experiment has been useful to the League of Nations in furnishing information as to how to carry out similar ventures. The gravest mistake in the program of rehabilitation was the vesting of dictatorial powers in the High Commissioner. Failure stamped Dr. Zimmerman's efforts because he arrogated sovereign rights to himself without which no country could continue to command respect either at home or abroad. Another lesson drawn from the reconstruction of Austria is the realization of the fact that no single country can be "salvaged" in that part of Europe where Austria is situated without creating friendly relations with its neighbors. No matter how hard the League and Austria might have striven to carry out every detail of the rehabilitation program, their efforts could not be entirely successful until Austria's relations with her neighbors were settled on the basis of a complete reciprocity of interests.

THE REVIVAL OF VIENNA

The history of the financial restoration of the City of Vienna, which has been carried out concomitantly with that of the republic, deserves special notice because the capital is the most important political and economic unit of the confederation. Vienna, crouching near the peripheries of a diminutive republic, has very often been referred to as a "hydrocephalous monster." Since the city is a full-fledged "land," possessing many sovereign rights, the rehabilitation of its finances was primarily incumbent upon its own government. Thanks to the head of the financial department of the City Council, Vienna occupies today a privileged position in the confederation.

Hugo Breitner, Dr. Zimmerman's counterpart as Vienna's "financial dictator," has been accused by his opponents of the commission of the most atrocious crimes, including the attempted "massacre" of a population of 2,000,000. By imposing unbearable taxes on the population, his enemies insist, he has driven capital out of Vienna and opened the gates to starvation. He is, in their opinion, a "taxation sadist," who inflicts punishment on the wealthy

classes only for the joy of seeing their bodies writhe in agony under his merciless rod. The forces which are leading the crusade against Breitner have succeeded in enlisting the aid of many influential foreign capitalists and their newspapers to give wide publicity to their complaints against what they consider the "dictator's" murderous methods of taxation. The City Government of Vienna is Socialist. Breitner, too, is a Socialist. If he were not a practical business man, possessed of indomitable energy, he would, most likely, be set down as a dreamer. But since he has demonstrated the practicability of his ideas and since he has lifted Vienna out of the post-war chaos without the untoward incidents which have characterized Dr. Zimmerman's rule, unbiased observers consider him a great benefactor.

When setting out on his mission to rehabilitate Vienna, Breitner had one thing clearly in mind—the retention by Vienna of its position as the commercial and cultural centre of Eastern Europe. Otherwise, he held, neither the capital nor Austria had much chance of emerging from the depression which followed the armistice. This aim, in Breitner's opinion, could be achieved chiefly by preserving and adding to Vienna's facilities to handle the transit traffic of the neighboring countries and by preserving its attractions for foreign visitors on whom many of the city's luxury industries are dependent. "Taxation" was the simple scheme which Hugo Breitner applied from the beginning to carry out his ambitious plan. While all over Europe financial experts had been trying to repair the damage caused by the war without recourse to taxation, Breitner inaugurated his "sadistic" policy. His taxes on luxury are "cruel," indeed. He makes a Baron Rothschild pay \$75,000 annually for the privilege of keeping fifty domestic servants in his Vienna household. It is true, likewise, that his interpretation of luxury is somewhat elastic, including many things which in countries more prosperous are regarded as necessities.

Yet, whatever hardships some Viennese have been compelled to undergo on account of the drastic fiscal policy of their Government, the city has benefited. While Austria lay prostrate, its budget unbalanced,

its money printing presses working overtime, the capital had balanced its budget and was ready to undertake social reforms which were destined not only to alleviate the misery that had befallen the country after the war, but also to recreate that atmosphere of happiness which was one of the main charms and attractions of pre-war Vienna. The result is that today Vienna is as well kept and equipped to serve as the great commercial entrepôt of Central Europe as when it was the centre of the Habsburg empire.

Vienna has now no external indebtedness—an unheard-of achievement among the cities situated in the territory of the former Central European powers. Herr Breitner has declared that he has no intention of floating a foreign loan, since he is carrying out with the city's own means a program which includes the erection of monumental apartment houses, the rents of which are nominal, the building of hospitals, public baths and orphan asylums and the execution of similar plans.

AUSTRIA'S NEW HOPE

The termination of the League of Nations' control over Austria ended a period which, even if it could not be described as prosperous, witnessed, at any rate, the financial resurrection of both the country and of its capital. "Can Austria live?" is the question which not only Austrians but also sympathetic foreigners have been asking. The answer, according to the League's experts, is "in the affirmative, since Austria's economic life at the moment is showing slow but definite improvement. Clearly, in comparison with the desperate straits

to which the country was reduced after the war, Austria is now a convalescent." Austria can live even in her present plight. But, the majority opinion holds, it cannot prosper unless it is with a more powerful economic and political entity.

Austrians are now considering how this union could be consummated. Ties of blood and a common language draw them toward the Germans. But the peace treaty and the majority of the succession States reject such a solution. There would remain the creation of a Danubian Confederation, advocated by Louis Kossuth half a century ago, and now revived and modernized by Thomas Garrigue Masaryk, President of the Czechoslovak Republic. This idea has not ripened into an overwhelming desire on the part of the interested nations, so that, for the time being at least, it must be ruled out as a possibility. The third solution offered—and this would be the most sweeping one—envisages the creation of the United States of Europe. The Pan-European movement, led by Count Richard N. Coudenhove Calergi, has outgrown the Utopian phase and is now being reckoned with even by practical politicians. It has made tremendous progress in the last years not only by permeating Europe with the necessity of such a super-State but also by working out the details of the administration of a European Confederation and by placing it on practical foundations. It is logical that this movement should have been started in Austria, the step-child of another super-nation, a country without a militant national consciousness, a pioneer and an ardent advocate of the international consolidation of nations.



Americanization of Japanese in Hawaii

By E. GUY TALBOTT

Regional Director on the Pacific Coast, for the Near East Relief Organization

THE greatest single problem confronting the United States in Hawaii is the Americanization of 125,000 Japanese, who constitute 40 per cent. of the total population of the Islands. More than half the Japanese in Hawaii are American citizens by virtue of their birth under the American flag. Until Dec. 1, 1924, these Japanese-Americans were both citizens of the United States and subjects of Japan at the same time. This was due to the "dual-citizenship" policy of the Japanese Government. Dual citizenship constitutes a very real barrier to complete Americanization of Hawaii's Japanese-American citizens.

In one of the most remarkable reversals of governmental policy in modern times, the Imperial Diet of Japan abolished dual-citizenship on the part of her nationals born abroad. This revision of Japan's nationality law was enacted July 22, 1924, and went into effect Dec. 1, 1924. The amendment was passed at a time when feeling in Japan was deeply wounded as a result of the enactment of the Japanese Exclusion law by the Congress of the United States, together with the abrogation of the Gentlemen's Agreement between America and Japan.

The new Japanese law of nationality provides that children of Japanese nationals, born abroad, may renounce their Japanese citizenship by a simple declaration before the Japanese Consul. The law also provides an easy method for the relinquishing of citizenship on the part of Japanese born abroad prior to Dec. 1, 1924. The law abrogating dual-citizenship applies only to those countries designated by Imperial ordinance. The countries so designated are: The United States, Argentina, Brazil, Canada, Chile and Peru.

In the United States there were in 1923, according to a report of the Foreign Office of the Japanese Government, 106,117 Japanese-Americans possessing dual-citizenship. By virtue of their birth under the American

flag they were citizens of the United States, and by virtue of their birth registration with Japanese consulates they were also citizens and subjects of Japan. Of these Japanese dual-citizens, 48,648 were registered with Japanese consulates on the United States mainland and 57,469 were registered in Hawaii.

The total number of Japanese born in Hawaii, according to the report of the Bureau of Vital Statistics of the Territorial Board of Health, is 66,647. This number is much larger than the number of births reported to the Japanese consulate, since many Japanese parents were refusing or neglecting to register their children, even in advance of the law abolishing dual-citizenship. For example, in 1924 the Japanese consulate reported 4,493 births, while the Board of Health reported 5,820 Japanese births, or 1,327 more than were reported by the Japanese consulate.

Concerning the new Japanese law of nationality, Professor K. C. Leebrick, head of the Department of History of the University of Hawaii, says:

"I can testify from personal observation made in Japan that the intention of the law is to promote better relations between the peoples of America and Japan. The bill was passed by the Diet at a time when public opinion was highly incensed at the United States because of the quota immigration law of May, 1924, which they considered a national insult. We of America and especially of Hawaii, should do our part to help solve this international problem of dual-citizenship in the same fine spirit which prompted the making of the Japanese expatriation law of 1924 and in accordance with American principles. This new law means that approximately 67,000 citizens of Japanese ancestry now living in Hawaii who are under the shadow of dual-citizenship may now clear themselves of this double allegiance.

The leading Japanese daily newspaper in Honolulu, the *Nippu Jiji*, editorially commended the Japanese Government for abolishing dual-citizenship and urged the Japanese-Americans in Hawaii to take ad-



Hawaiian schoolgirls of Japanese parentage.

vantage of the new law and become full fledged American citizens without the stigma of foreign allegiance. The Nichi-Bei Kankei-Iin-Kai of Tokio (The Committee on Japanese Relations), of which Viscount Eiichi Shibusawa has been the prime mover, passed resolutions of a similar tenor regarding the Americanizing of Japanese born under the American flag.

Some fears have been expressed that the rapid increase of Japanese in Hawaii would eventually mean that the Japanese would secure both the economic and the political control of the islands. That the fears of Japanese economic control of Hawaii are practically groundless is apparent when it is considered that the total assessed value of all real and personal property owned by Japanese in Hawaii in 1924 was only \$15,382,617, or 4.31 per cent. of the total value of all assessed property in Hawaii. Over against the small valuation of Japanese property is the fact that property owned by white Americans aggregated \$44,256,415, or 12.40 per cent. of all property, and corporations and firms, the vast bulk of whose capital is owned by Americans, owned \$248,016,296 worth of island property, or 69.48 per cent. of all property.

There were 5,167 Anglo-Saxons who paid \$204,133.26 in income taxes to the

Territory in Hawaii in 1924, while only 907 Japanese out of a total Japanese population of 125,000 paid any territorial income tax, and they paid only \$10,370.17. The largest amount of all taxes in the islands is paid by corporations, the total of such taxes on real property for 1924 being \$3,380,364.38, of which Japanese corporations paid only \$34,412.78. On personal property, corporations paid a total tax of \$3,331,378.14, of which amount Japanese corporations paid only \$60,013.13.

The sum total of all taxes in the Hawaiian Islands for 1924 (exclusive of Federal taxes), was \$11,274,940.68. Anglo-Saxons paid \$8,810,035.40 of this total, while the Japanese paid only \$624,824.38. The vast bulk of all property in Hawaii is owned by white Americans, and there is no danger of the control of that property passing into the hands of the Japanese. The Japanese in Hawaii are in no slightest sense competitors of the Americans in the industrial and economic control of the islands.

POLITICAL CONTROL IN HAWAII UNLIKELY

Regarding the possibility of Japanese political control of Hawaii the negative argument is not so conclusive. The casual observer would say that it is only a question of a few years until the Japanese will control the political destiny of Hawaii by sheer force of numbers. The Japanese now constitute 40.8 per cent. of Hawaii's total population and the Japanese school children make up 51 per cent. of all the school children in the islands.

In 1920 there were 109,274 Japanese in Hawaii, only 2,613 of whom were citizens of voting age, and of these potential Japanese-American voters, only 657 were actually registered. In 1923 the total Japanese-American registration was 1,365, out

of a total registration of 32,773. The total "American" registration for 1923 was 6,892. The Japanese voters for 1923 increased 607 over 1920 registration, while the "American" voters increased 1,556 for the same period. This does not look like Japanese political domination.

A survey of education in Hawaii was made in 1920 by the Bureau of Education of the United States Government. In this report an elaborate study was presented, professing to prove that by the year 1940 there would be 30,857 Japanese-American voters in Hawaii, or 47 per cent. of the probable total electorate at that time. On the other hand, such students as Professor Romanzo Adams, head of the Department of Economics and Sociology of the University of Hawaii, show by equally convincing charts and studies that there is little likelihood of the Japanese ever gaining political control of Hawaii.

Americanization work is the chief business of the public schools of Hawaii. The latest report of the Superintendent of Public Instruction of Hawaii shows that on Jan. 1, 1925, there were 55,497 children enrolled in the public schools and 9,872 in private schools. The school children of Hawaii number 21.28 per cent. of the total population of 307,100. Only 3,553 Anglo-Saxon children are enrolled in the schools of Hawaii, 1,714 of them being in the public schools.

The largest racial group in the schools of Hawaii is quite naturally the Japanese, who constitute 40.8 per cent. of the total population and 51 per cent. of the school population. The Japanese children in the public schools number 28,308 and the percentage of Japanese children, as well as their numbers, are rapidly increasing. In 1890 there were only 39 Japanese school children in Hawaii; in 1900 there were 1,352; in 1910, 5,557; in 1920, 19,354, and on Jan. 1, 1925, the number of Japanese children had increased to 28,308.

The Japanese foreign language schools constitute a serious handicap to the complete Americanization of the Japanese children. These foreign language schools exist for the purpose of teaching the Japanese language, history, religion and national loyalties. In the past the teaching of these schools has been utterly at variance with

the teaching in the public school. They tended to create a divided loyalty on the part of the child, just as did the Japanese policy of dual-citizenship. There are approximately 20,000 Japanese children who attend both the public school and the Japanese language school.

JAPANESE LANGUAGE SCHOOLS A MENACE

Most of the Japanese language schools are taught by Buddhist priests or lay teachers, religion being an essential part of the teaching. A law placing these schools under the control of the Board of Education of the Territory of Hawaii has been made inoperative by litigation brought on by some of the language schools. There is very uniform testimony on the part of educators in Hawaii that the foreign language schools, as now conducted, are a menace that should be abated.

Governor Wallace R. Farrington, in his report to the Territorial Legislature in March, 1925, said regarding the foreign language schools:

These schools are a handicap to the American progress of the children of alien parents, because they represent a daily effort to keep the children as fully alien as the teaching of an alien language in an alien atmosphere and under alien ideals can make them. They represent a desire to hold our children, who are our future citizens, under a control that is not American.

The Survey Commission of the Federal Bureau of Education made the following recommendation concerning the foreign language schools:

The Commission is convinced that the language schools are centres of an influence which, if not distinctly anti-American, is certainly un-American. The Commission, therefore, feels no hesitancy in recommending that all foreign language schools be abolished.

Another serious racial problem now confronting Americanization workers and statesmen in Hawaii is the fact that Hawaiian birth certificates are not accepted by immigration authorities on the United States mainland as sufficient evidence of American citizenship. There can be little question of the loyalty to the United States of the Hawaiian-born children who are being Americanized in the public schools. Yet these same children are treated as aliens when they want to enter the United

States mainland, even for the purpose of attending institutions of learning.

In dealing with the question of Hawaiian birth certificates, Governor Farrington says:

Under the Constitution of the United States and under the Organic Act by which Hawaii became an integral part of the United States, all persons born in Hawaii, irrespective of race, are in fact citizens and entitled to the same rights and privileges as other citizens. . . . Recognition of the certificates of birth issued as proof of American citizenship is agitating a large section of our population. It is as if we were foreigners entering a foreign land. . . . Our Territory will never be fully established as part and parcel of the United States until these last evidences of our being set apart and peculiar are removed. We should make a very vigorous presentation on behalf of our fellow-citizens who are not only born under the American flag, but have lived here continuously and will continue to reside within our common country.

The Japanese children in Hawaii are being rapidly Americanized, but there are many obstacles in the road to complete Americanization besides foreign language schools and mainland racial discrimination. A very significant stating of certain of these obstacles was made by the Territorial Superintendent of Public Instruction, Willard E. Givens, in his recent biennial report to the Governor and Legislature. Mr. Givens said:

The attitude of the general public toward the Oriental has created a problem. High ideals of democracy and right living cannot be established in the hearts and minds of our pupils unless there is more of a disposition on the part of Americans of Caucasian ancestry to show by their attitude that they really believe "all men are created free and equal." The ideas of young people are profoundly influenced more by the examples set by teachers, Government officials and prominent members of communities than they are by "preaching." So long as we have Government officials, business and social leaders who ignore laws and amendments, and guardians of the law who close their eyes to violations of the law, we can expect to develop young citizens who disregard the commands of law and the rights of others.

The exponents of "white supremacy" and "Nordic superiority" and the proponents of the "yellow peril" bugaboo would do well to remember the Hawaiian-born Chinese boy, Ah Sing Ching, who won the American Legion prize essay contest in 1922 in competition with over 50,000 other American school children representing every State in the Union. Ah Sing Ching, though born of humble Chinese parents, is a typical American boy and he is a fair sample of the work of Americanization being done in the public schools of Hawaii, the "Melting Pot of the Pacific." In his essay Ah Sing Ching said: "We learned at the beginning of the World War that many of our citizens were uneducated, and



Hawaiian children of different racial stocks. From left to right: Chinese, Portuguese, Chinese, Korean, Caucasian, Hawaiian, Japanese, Filipino



Girls representing thirteen different racial stocks in Hawaii. From left to right, back row: Negro, Spanish, Norwegian, Filipino; second row: Portuguese, Hawaiian, Japanese, Korean, Chinese; front row: Russian, Porto Rican, American

that not nearly enough money was being spent for schools. Here is a great work for the American Legion, to see that every child in the United States has a chance to be educated. What we want in our nation we must put in our schools."

The writer had the privilege only recently of visiting sixty-five schools in Hawaii and of speaking to many thousands of school children and interviewing scores of principals, teachers and other educators. We have never found any greater loyalty to the American flag and to the institutions for which it stands anywhere on the mainland than we found on the part of America's Japanese citizens in the public schools of Hawaii. The public school is the solution of the Japanese-American problem in Hawaii. In the public school all races become American.

We are too much inclined to blame the Japanese for "colonizing" in Hawaii. They are not to blame for being in Hawaii. They were not only invited to come to Hawaii;

their fare was paid. Over 68,000 Japanese were brought into Hawaii as contract laborers to work on the sugar plantations. Hawaii's race problems of today are all problems of our own making. The Hawaiian Sugar Planters Association, in a recent report, states that since 1852 a total of 271,415 immigrant agricultural workers have been brought into Hawaii at an approximate cost of \$20,000,000. Since 1906 they state that 61,228 Oriental immigrants have been brought into Hawaii at a total cost of \$8,865,092.54. Of this amount the Sugar Planters Association contributed \$6,970,486.84; the Pineapple Packers Association \$429,205.73, and the Territory of Hawaii, from special taxes, contributed \$1,255,136.97.

There has been a general feeling in the United States that the Gentlemen's Agreement did not affect the Japanese immigration to Hawaii. This impression is wholly at variance with the facts, for that agreement applied to Hawaii exactly the same

as to the United States mainland. Under this agreement the Japanese Government refused to grant passports to workers, and aside from the usual merchant and professional classes, the only Japanese immigrants to Hawaii, after the Gentlemen's Agreement went into effect, were picture brides. The Japanese came to Hawaii just as other Orientals have come; because they were needed as cheap contract field laborers on plantations owned by white Americans. If there is a "Japanese menace" in Hawaii, it is a menace of American making.

In 1920 the Japanese field workers on the Island of Oahu went on strike for higher wages and shorter hours. This strike came at the time when the agitation against the Japanese in California was at its height. One result of the strike was the development of a bitter feeling against the Japanese in Hawaii. In 1921 the Hawaiian Sugar Planters' Association importuned Congress to permit them to bring in Chinese coolies to supplant the Japanese field workers and break their economic hold on the plantations. One of the arguments used before the Congressional Committee on Immigration was that the Japanese strike was part of a sinister plot to capture the sugar industry of Hawaii by the Japanese workers and ultimately to gain control of the islands for Japan!

Today there is very little anti-Japanese feeling manifest in Hawaii. Japanese plantation laborers are being largely supplanted by Filipinos. Over 60,000 Filipinos have been imported in recent years as contract laborers.

DEMAND FOR CITIZENSHIP

The proposition which it is planned to lay before the American Congress to deny citizenship to children of aliens who are ineligible to naturalization is causing much concern to Japanese-Americans in Hawaii. It is another cause of racial friction. The Hawaii Education Association, representing the teachers of Hawaii, who are in closest touch with the Americanization work with Japanese, passed the following resolutions at a meeting held some months ago, protesting against the enactment of such a law:

Whereas, it is reported that a proposed

amendment to the United States Constitution is being promoted with the intent of debar from American citizenship the American-born children of parents ineligible to citizenship;

The public school teachers of the Territory of Hawaii represented in the Hawaii Education Association desire emphatically to express their disapproval of such action.

The reasons for such disapproval are our experience and belief as teachers of the Territory who are in daily contact with young people of such races as would be affected by the proposed amendment:

(1) That the process of absorbing American customs and ideals is successfully taking place with reasonable rapidity in the many rooms and on our playgrounds as well as frequently in other relationships;

(2) That among the several thousand (6,000) young people of such races already of voting age, a large proportion have in their exercise of the franchise thus far shown themselves level to general American interests rather than to any special group;

(3) That in their establishment of the American type of home, in their seeking of American business connections and in their adoption of the Christian religion, many hundreds of such young people are already exhibiting their permanent adoption of American standards and ideals;

(4) That with the growing American influence of such a nucleus of American-born youth and with the stationary or diminishing numbers of the older foreign-born population, the process of assimilation will move with accelerating speed and the decay of alien institutions will naturally be hastened;

(5) That the process of thorough-going Americanization—a project already demonstrated as practicable—is, in our belief, a vital policy on the ground, not only of patriotic sentiment and of local general welfare, but also for the most complete defensive security for the western frontier of the nation;

(6) That, therefore, the proposed denial of the right of citizenship for such young people or their successors would be clear injustice to them, a serious barrier to the local assimilation of races, a strong incentive to the continuation of alien institutions in our midst, as well as a serious blow to the fundamental American principles of democracy and equality.

This resolution is significant. It is only one of many indications that the people of Hawaii, Americans and Japanese alike, feel a special responsibility and are moved by the most sincere desire to help to close the breach between Japan and the United States.

Albania's New Constitution

By EMERSON B. CHRISTIE

Diplomat and Student of Balkan Affairs

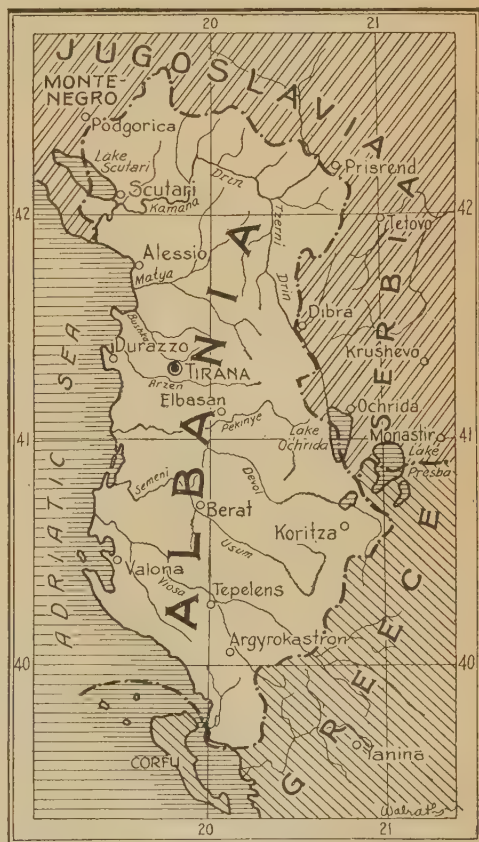
A SERIES of Ministerial crises, together with the activities of a particularly obstreperous Opposition Party, have combined during recent months to draw the attention of the world to the perplexing problems of constitutional administration which today confront the little Balkan State of Albania. This nation is the latest addition to the list of European republics. In January, 1925, the Constituent Assembly, sitting at Tirana, the capital, proclaimed Albania a republic, and elected Ahmed Bey Zogu to the post of President; on March 2, the Assembly adopted a Constitution placing the change from the monarchical to the republican form of government on the basis of organic law. Albania, therefore, is now celebrating its first anniversary as a republic, which, incidentally, presents somewhat of a paradox in that the nation is the seat of the oldest civilization in Europe, traces of pre-Grecian settlements having been found in many parts of the country.

The first twelve months of existence proved a troublous cycle for the new republic. Numerous plots to overthrow the Government were discovered, many of these being attributed by the officials to the followers of Bishop Fan S. Noli, deposed and exiled Premier. Political crises also were frequent. A series of Ministerial difficulties began with the resignation of the Cabinet on Sept. 22, 1925; on Sept. 29, President Ahmed Zogu announced the formation of a new Government which, however, lasted only until the last week of November, when it resigned and was reorganized by the President. Shortly thereafter a political crisis resulted in the resignations of the twenty elected members of the Albanian Senate, leaving only the six members appointed by the Government to carry on the work of the Upper Chamber.

The Constitution of this newest republic in Europe is a document of historical im-

portance, however the somewhat stormy tide of Albanian politics may turn. It is noteworthy for its concentration of power in the executive. Not only in this, but in other respects, the new Albanian Constitution departs widely from the precedents set by other post-war European constitutions, including the provisional Constitution, which it supersedes. Among the outstanding features of the new document are the following:

It combines certain characteristics of the Presidential and the Parliamentary forms of republican government.



Map of Albania



L'illustration, Paris

The main street and the Mosque, Tirana, capital of Albania

Though Ministers need not be members of the Legislature, they have the right to speak in either house. They are also subject to the call of the Chamber of Deputies to answer questions. Further, the Cabinet is required, within five days of its appointment by the President, to ask the Chamber for a vote of confidence. If, however, the vote is refused, the President is accorded power to dissolve the Chamber, decree new elections, and refer the question of confidence to the new Chamber. Only in case the new house maintains the position of its predecessor is the Cabinet obliged to resign. On the other hand, no limitation is placed on the power accorded to the President to dismiss Ministers.

The Legislature is expressly vested with power to give authentic interpretation of the laws.

While the famous doctrine of checks and balances is ignored in the distribution of powers between the executive, the legislative and the judicial departments of government, there is a balancing between the two houses of the Legislature. Thus it is provided that, under certain circumstances

the Chamber of Deputies may send a bill directly to the President for approval, while on the other hand, in case of persistent disagreement between the two houses, the President is given power to dissolve the Chamber with the approval of the Senate.

The Chamber of Deputies is so constituted as to represent persons; the Senate, which is limited to eighteen members, is intended to represent age, experience, education and talent. A Senator must be at least 40 years old and must hold a degree from an institution of higher learning, possess a record of service in the highest offices, or have to his credit outstanding success in the field of business.

A close connection is established between the Senate and the President by the provision in Article 49 that the latter shall appoint six of the Senators. Further, the President appoints the President of the Senate, who becomes Acting President in case of the President's absence.

Legislative strikes for the purpose of embarrassing the Government are guarded against by articles to the effect that Deputies absent from the Chamber more than

two months without leave lose their seats automatically and absentee Senators also lose their positions unless their house accepts the excuses submitted.

Bills may be originated in either house or by the Executive. Only the Executive, however, may propose amnesty bills or bills calling for an increase of expenditures.

The Legislative Department cannot control the Executive with the usual weapon of cutting off supplies, for it is provided that in case the annual budget is not enacted before the beginning of the fiscal year the budget of the preceding year is applied until the new budget is voted.

Final control of legislation is placed in the hands of the Executive, for the President is vested with the veto power without limitations.

The President of the republic appoints all officers of the armed forces and all high officials, including the Judges and public prosecutors. Except in the case of the Cabinet, no ratification by either house of the Legislature is required.

The terms of service of the officers of the State are so formulated that all the

personnel cannot be changed at the same time. Thus, Judges serve during good behavior; Deputies, for four years unless the Chamber is dissolved; Senators serve for six years; the President serves for seven years and is eligible for re-election.

Amendments to the Constitution may be enacted by a procedure which requires a heavy preponderance of opinion. Only the President or Ministers, however, can propose amendments.

The article establishing the republican form of government is expressly placed beyond the reach of amendment.

Certain matters of detail are interesting, particularly the provision in Article 124, that with an unimportant exception, foreigners may not own rural land in Albania.

Another interesting feature is the classification of subsoil resources, except stone, as property of the State.

A negative feature of the Constitution attracts attention in these days of socializing Constitutions. The Albanian Constitution sticks to the business of government as such business was understood until recently. Thus the underlying political philosophy of the instrument is conservative.



A bridge at Premeti in Southern Albania

L'Illustration, Paris

Momentous Discovery in the Science of Radiation

By WATSON DAVIS

Managing Editor, Science Service, Washington

ONLY a few weeks ago the shortest, hardest, and most powerful radiations known to science were the hardest of the X-rays, or the gamma rays, given off by radium in its disintegration. Since then, however, Dr. R. A. Millikan, in an address before the National Academy of Sciences at Madison, has made it known that there is generated in the vast reaches of space of the universe a more penetrating radiation than most physicists heretofore could imagine. The wave-length of these ultra X-rays are one-fiftieth of that of the hardest gamma rays from radium and only one-ten-millionth that of ordinary light. The human mind can hardly contract its thoughts to such minuteness, because the actual length of light waves that we see is about one-fifty-thousandth of an inch, and now we are asked to try to visualize ten-millionths of that.

The full significance of Millikan's announcement of the discovery of the nature of the "penetrating radiation" that pelts the earth must gradually sink into the world's general store of knowledge before it can be appreciated. For over twenty years this penetrating radiation has been known to exist. Physicists had noted a strange and unaccountable influence on the electroscopes that they used to measure the influence of radium and X-rays. What Millikan and his assistants at the California Institute of Technology have done is to track this radiation, not to earth, but to its birthplace throughout space. They have discovered a new realm of the spectrum. The idea of a series of ether vibrations ranging from low frequencies of alternating electric current, passing through radio waves, heat, visible light, ultra-violet light and finally reaching the short wave lengths of X-rays and gamma rays of radium is familiar to us. But far beyond these, approaching the abode of the infin-

itesimal, lies the region of the penetrating rays discovered by Dr. Millikan.

Experiments that extended over five years and took Dr. Millikan and his associates to some of the highest and most inaccessible parts of the United States were necessary before the character of the penetrating rays could be discovered. By observations on the top of Pike's Peak, in the depths of a high Sierra Nevada lake, and by means of instruments lifted ten miles above earth by pilot balloons, it was proved conclusively that the earth was not responsible for the penetrating rays. It may be that these extraordinary rays are evidences of the actual construction of matter throughout all space. Dr. Millikan suggests that they may be evidence for the condensation into matter out somewhere in space of the light and heat continually being radiated into space by the sun and stars. Our own sun dissipates into space each second some 10,000,000 tons of mass in the form of light. It is a hopeful conception that in some other part of the universe this fundamental stuff and that emitted by all other stars is being synthesized into matter from which other worlds can be made. How much more cheerful this is than the disintegration that accompanies radioactivity!

It is also possible these rays are the result of transmutations of chemical elements taking place in the vast expanses of space. The gamma rays are produced only by nuclear transformations within the atoms of radium and thorium, in other words, when these elements disintegrate or are transmuted into other elements. Reasoning from such well-known facts, Dr. Millikan concluded that nuclear changes, that is, transmutations of elements, having an energy perhaps fifty times as great as the energy changes involved in known radioactivity on earth, are taking place all

through space. And the most probable sort of nuclear change is the capture of an electron by the positive nucleus of an atom. Thus the penetrating rays are signals of these cosmic transmutations sent to earth.

If the dream of the ages were accomplished here on earth and gold was made from mercury, the penetrating rays Dr. Millikan has discovered should be given off as a result of such a transmutation. But to produce here on earth the penetrating rays Dr. Millikan estimates that the immense energy of 10,000,000 volts or more would be necessary, and he holds out little hope of such an accomplishment. Consequently, for the present at least, the application of the penetrating rays to medicine and physics cannot be anticipated.

Fortunately the amount of the penetrating rays reaching the earth is very small. Very delicate gold-leaf electrosopes were necessary in order to detect the rays in spite of their high penetration. The rareness of the rays is probably the salvation of life on earth, since, if the quantity were large, the effect might be like being treated with very heavy doses of X-rays. Unlike light or any other radiation from outer space, the penetrating rays come to earth with equal intensity at all hours of day and night and with the same intensity in all directions. When they strike the rocks on earth they stimulate softer rays whose discovery Dr. Millikan made as a by-product of the principal investigation. The Millikan rays also probably affect vitally radio communication, for near the top of the atmosphere where they first impinge on the earth they help create the ionized conducting Kennelley-Heaviside layer of the atmosphere along which radio signals slide.

EXPERIMENTS WITH CATHODE RAYS

Even with the radiations that seem to be well known to us new and thought-provoking phenomena are being observed. Cathode rays, long known within vacuum tubes discharging at high potentials, have been released from the glass walls that have heretofore formed their prison. These can now be produced in the air in such quantities as to kill bacteria and insects and cause other striking physiological and

physical effects, by means of an apparatus developed by Dr. W. D. Coolidge, inventor of the Coolidge X-ray tube now in general use in hospitals and laboratories. He uses a tube of very high vacuum, with the discharge made from an electrode within it, which is heated by another electric current. At one end of the tube is a "window" of thin aluminum, as large as three inches in diameter, which keeps the air from getting into the tube, but which permits the cathode rays, consisting of rapidly moving electrons, to pass outward. With a potential as high as 250,000 volts, and a current of several thousandths of an ampère, the rays travel as far as eighteen inches from the tube, and produce a purplish glowing of the air in front of it. Crystals of calcite, a mineral similar to limestone, glow with an orange light when placed in the path of the rays, and continue to do so for several hours after the exposure has ended. "In addition to this," says Dr. Coolidge, "they may show bluish white scintillations. These have been observed while the crystal is undergoing bombardment and for as long as a minute after raying. By slightly scratching the rayed surface of the crystal, the scintillations may be produced for as long as an hour after raying. Under the microscope, the spot where the scintillations took place is marked by a little crater with many tiny canals leading into it."

Pronounced chemical effects are produced by the rays. For example, castor oil is changed very quickly to a solid substance. The most striking effects, however, are produced on living things. "Bacteria," says Dr. Coolidge, "have been rayed, and an exposure of a tenth of a second has been found sufficient to kill even highly resistant bacterial spores. Fruit flies, upon being rayed for a small fraction of a second, instantly showed almost complete collapse, and in a few hours were dead." This may lead to the application of the rays as a powerful germicide and insecticide, but that their promiscuous use would be of considerable danger is shown by their effect on higher forms of life. "The ear of a rabbit was rayed over a circular area one centimeter in diameter for one second," Dr. Coolidge reported. "After several days a scab formed, which fell

off a few days later, taking the hair with it. Two weeks later a profuse growth of snow white hair started which soon became much longer than the original gray hair. Another area was rayed for fifty seconds. In this case scabs developed on both sides of the ear, which later fell out leaving a hole. The edge of this hole is now covered with snow white hair." The general design of the present apparatus seems to indicate, Dr. Coolidge says, that it would be possible to use still higher currents. However, the relatively short range of the rays makes it seem that the apparatus cannot be used as a "death ray" in warfare.

ECLIPSE OF THE SUN

One of those infrequent astronomical displays, a total eclipse of the sun, that always excite astronomers and the population of the region affected, will be visible in Sumatra and Borneo on Jan. 14, 1926. Although not as many expeditions will take the field as last January when the moon was considerate enough to cast its shadow across the most populated portion of the United States, yet three American parties are now setting up instruments on the other side of the world. Measurements of the heat of the solar corona, to be made by astronomers from Harvard University during the coming eclipse, may aid scientists in a solution of the problem of what caused the ice ages that visited the earth at times in the past. The Harvard party will be chiefly concerned in measuring the radiation from the corona. The expedition is in charge of Dr. Harlan True Stetson, assistant professor of astronomy, and will also include Dr. W. W. Coblentz, physicist at the United States Bureau of Standards, inventor of the Coblentz radiometer, which was used last year to measure the heat from Mars; Weld Arnold, explorer from the Amazon expedition under Dr. Hamilton Rice, and William A. Spurr, Harvard '25, a student in astronomy.

Similar measurements of the heat of the corona were made by Dr. Stetson and Dr. Coblentz from Middletown, Conn., during the eclipse last January. These seemed to indicate that 30 per cent. of the corona radiation is heat, and that the coronal

temperature is about 5,000 degrees Fahrenheit. This is considerably cooler than the temperature of the sun itself, so that it is thought to be due to the presence of dust-like particles around the sun which reflect some of the sunlight directly, causing the corona which is seen during a total eclipse, but which also absorb some of the energy; and then send it out again as long heat waves. Many such clouds of dark matter are known to exist in various parts of the sky, and it is quite likely, according to Dr. Shapley, that the ice ages in the past, during which the earth was much colder than it is now, were caused by the earth passing through such clouds, which kept out the normal supply of heat from the sun.

The other two expeditions from the United States that have gone to Sumatra are from the United States Naval Observatory at Washington and the Sproul Observatory of Swarthmore College. The former is in charge of Captain F. B. Littell, astronomer at the Naval Observatory, and also includes Dr. John M. Anderson of the Mount Wilson Observatory at Pasadena, Cal. The Sproul Observatory party is under the direction of Professor John A. Miller, director of the observatory, and includes Dr. Heber D. Curtis, director of the Allegheny Observatory at Pittsburgh. The Swarthmore and Harvard parties are located at Benkoelen, on the west coast of Sumatra, while the Naval Observatory astronomers are inland at Tebingtinggi.

THE SUN AS A VARIABLE STAR

The question of the constancy of the sun is looked at from another viewpoint by Professor Joel Stebbins of the Washburn Observatory of the University of Wisconsin. Will the sun, the power plant of the earth, some time in the future reduce or increase its light and heat production by 5 per cent. is the query he raises. Changes in the heat poured out by the sun, causing great inconvenience or death to humanity, are considered possible by some scientists, and Dr. Stebbins has records of stars that nearly doubled their production of heat in a year. "It has been demonstrated by the work of the Smithsonian Astrophysical Observatory and its stations, under the direction of Dr. C. G. Abbot, that the sun

may be called a variable star," Dr. Stebbins says. "That is, the amount of radiation in the form of light and heat which the sun emits is not always the same, but changes to the extent of several per cent. on each side of the average. The results of the Smithsonian observers are being used to study the connection between weather changes and variations in the sun, with considerable promise of success."

Since the sun is only one of many million stars the question arises how near is the variability of the sun typical of the stars in general. Roughly, the stars may be divided into those which are white hot, yellow hot and red hot, the sun being a yellow star. The chief work of the Washburn Observatory lies at present in the measurement of minute fluctuations in the light of stars by means of an electric-cell photometer. With this instrument it is possible to measure the constancy of the light of one star by referring it to two or more other stars for comparison. In this way the eclipse of stars by dark companions may be studied, and also other variations in light. Several cases have been found where white hot stars have changed as much as 1 per cent. between one year and the next, and other cases where the change is more rapid—2 or 3 per cent. in as many weeks. Some yellow stars like the sun seem to have irregular variations of 2 or 3 or even 5 per cent., while certain red stars may change as much as 20, 30, or 40 per cent. "These minute changes like that of 1 per cent. per year may not seem very great," Dr. Stebbins comments, "but when it is considered that the stars are supposed to shine with much the same brilliance for thousands or millions of years it is evident that any progressive change of 1 per cent. annually cannot continue for many years

in succession. It is suggested that the stars have some way of automatically regulating their radiation so that when they are so much below normal, in some way they recover, and likewise when they become brighter than normal the successive radiation is made to decrease."

NEW COMETS

Two comets discovered by American astronomers in three days was the record established in November. The discovery of a new comet on Nov. 14 was made by Leslie C. Peltier, an amateur astronomer of Delphos, Ohio. The other comet was discovered on Nov. 17 by Professor George Van Biesbroeck of the Yerkes Observatory. Two deadly poisons, cyanogen, tried during the war as a poison gas, and carbon monoxide, the "coal gas" given off by defective stoves, are found in the tails of Peltier's and Van Biesbroeck's comets, according to Dr. Edwin B. Frost, director of the Yerkes Observatory of the University of Chicago. These heavenly visitors have been spectroscopically analyzed by N. Bobrovnikoff of the observatory staff. By photographing them through a telescope with a large glass prism attached over the lens he has been able to study the spectrum and has found the bright bands which correspond to glowing cyanogen and carbon monoxide, and which are frequently found in comets' tails. There is also a continuous spectrum which is due to reflected sunlight, and which, according to Dr. Frost, is stronger in the case of Van Biesbroeck's comet than in the other. Peltier's comet was discovered independently by a Polish astronomer named Wilk, and it was also located independently by Dr. P. Guthnick and Dr. R. Prager of the University of Berlin on Nov. 18.



Armies and Navies of the World

THE UNITED STATES

ENLIGHTENING facts as to the cost of maintenance of the United States Army were contained in the annual report of Major Gen. William H. Hart, Quartermaster General, which was made public late in November. General Hart reported that the average cost of the army ration per day for enlisted men during the preceding twelve months was 30.94 cents; the official ration comprises three complete meals. The Quartermaster's Department furnished the enlisted personnel with laundry service by its forty laundries for \$1.75 per month. During the year a profit of more than \$500,000 was made in the laundries, and more than \$300,000 in the dry cleaning department. General Hart also reported that sales of War Department surplus lands had realized \$2,119,049, which was turned over to the United States Treasury.

In a letter forwarded on Nov. 28, 1925, to the President's Aircraft Board of Inquiry, Rear Admiral W. A. Moffett, Chief of the Bureau of Naval Aeronautics, told of the navy's aviation program during the past six years. Admiral Moffett stated that the expenditures on aviation by the navy during this period totaled \$184,330,736; he added that the navy was at present operating a fleet of 140 planes, comprising ten squadrons. Discussing the navy's activities in the field of lighter-than-air craft, Admiral Moffett asserted that the Los Angeles was "operating successfully," and that plans were under consideration to send the giant dirigible on a cruise to Europe, "to prove whether rigid airships are practicable for commercial purposes."

Major Gen. M. W. Ireland, Surgeon General of the army, made public on Nov. 28 his report for the year 1924. General Ireland stated that new low records in army death rates, both from general causes and from disease, had been established during the year specified. He declared that the general death rate for 1924 was 3.83 per thousand, as compared with 3.91 per thousand in 1923, during which year

"the rate for the first time in army history fell below 4 per thousand." Suicide was given as the chief cause of death, with tuberculosis second. General Ireland observed that "greater progress had been made in the prevention of deaths from disease than from external causes."

The United States Army is in admirable condition, and ready for any emergency, declared Secretary of War Davis, in an address in Philadelphia on Nov. 27. Discussing the Government's program for a systematic mobilization of industry in case of war, the Secretary said that the plan would enable the nation to "equip an army of 4,000,000 men more completely than we did in 1917 and 1918 and in a shorter time and for several billion dollars less than was spent for equipment in the World War."

The 150th anniversary of the founding of the United States Marine Corps was celebrated in Philadelphia, Pa., on Nov. 10. The ceremonies, which included a parade and the unveiling of a memorial tablet, were attended by Secretary of the Navy Wilbur and many high military naval and civilian officials.

GREAT BRITAIN

INTEREST in the national defense was divided during the month between the recruiting campaign for the Special Reserve and Auxiliary Air Force Squadrons and discussion as to the lessons of the Autumn (1925) manoeuvres. The recruiting campaign, which continued virtually through the entire month of November, was successful in drawing public attention to the question of aerial defense. Sir Samuel Hoare, Secretary of State for Air, made numerous addresses throughout the country, explaining the scope and purpose of the new aerial defense program. The Secretary laid especial emphasis upon the need for a high type of officers and soldiers for the two Auxiliary Air Force Squadrons, to which will be assigned the task of defending London from air attack. The Air Ministry announced on Oct. 23 that arrangements had been made by which

the necessary cost incurred in learning to fly, up to a maximum of \$480, would be refunded to all men who are accepted for the force.

Discussing the "lessons learned in the 1925 manoeuvres," the military correspondent of The London Times takes an optimistic view of conditions in the Territorial Army. He comments:

One of the points which stand out most conspicuously is the good march discipline. There is little wrong with infantry when whole brigades can cover 40 miles in 27 hours. . . . Infantry brigade commanders whom I have consulted consider these youths "wonderful." The men have keenness and esprit de corps. Falling out on the line of march is looked upon by them as a disgrace.

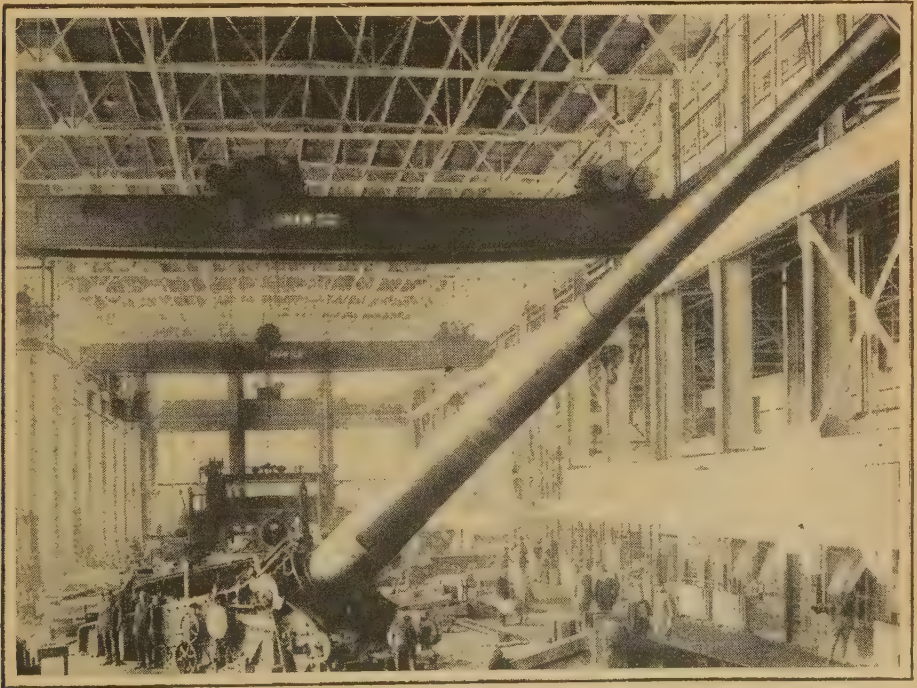
According to the official returns, which were made public on Oct. 22, the total strength of the Territorial Army on Oct. 1, 1925, exclusive of permanent staff, was 6,340 officers and 139,344 other ranks. It was stated that 1,449 officers and 36,599 other ranks were still required to complete the peace establishments. The total net gain in strength during 1925 was 2,880,

and the strength of the fourteen divisions on Oct. 1 was as follows:

Northumbrian	9,705	East Lancashire	8,526
Welsh	9,529	South Midland	8,390
Highland	9,488	East Anglian	8,268
West Riding	9,273	Wessex	7,736
North Midland	9,129	London (56th)	7,585
West Lancashire	8,862	Home Counties	7,265
Lowland	8,717	London (47th)	6,536

IRISH FREE STATE

The Free State Government on Nov. 3 announced the purchase from English firms of six Bristol Fighter airplanes; shortly after the announcement was made two Bristol airplanes, the first of the contingent, arrived at Baldonnell. The purchase drew attention to the Free State Government's new plans for air force expansion. The airplane strength of the Free State Air Force, inclusive of the two new Bristol machines, was unofficially declared to be 12 Bristol Fighters, 6 Martinsides, 6 Avros and 4 De Havillands—a total of 28 machines. The efficiency of personnel is exceptionally high, most of the pilots having served in the British air forces dur-



American 16-inch gun the construction of which took three years

Gilliams

ing the World War. The chief handicap is lack of funds; the Government recently reduced its military expenditures, a move which upset the plans of the Air Force to provide the first crew to fly across the Atlantic from Ireland to the United States. This project would involve an outlay of \$75,000, and efforts were subsequently made to secure the funds from private persons of wealth.

JAPAN

JAPAN'S program for battleship construction suffered an unexpected postponement when, on Nov. 14, Navy Minister Takarabe consented to the Government's demand that work upon four cruisers, which were to have been built immediately, be delayed for a year. The Navy Minister's

compliance was seen as another evidence of the weakening of the army-navy group in Japanese politics. Mr. Takarabe presented a budget calling for 320,000,000 yen appropriation, covering a decade, which was strenuously opposed by the Finance Ministry, because of the weakened finances of the nation. The question was laid before a Cabinet meeting, with the result that the Navy Minister, besides agreeing to delay the construction of the cruisers, announced his willingness to accept the grant of 26,000,000 yen, covering three years, of which sum 8,000,000 yen would be payable during the present fiscal year; this agreement was conditional upon a review of the whole issue by the Japanese Cabinet when it takes up the task of forming the 1927 budget.

[FROM FOREIGN PERIODICALS]

Locarno and the United States of Europe

JOSEPH BARTHELEMY, Member of Parliament and Vice Chairman of the Foreign Affairs Committee of the Chamber, in *Revue Politique et Parlementaire*, PARIS, November 10, 1925.

PROFESSOR BARTHELEMY discusses the Locarno treaties as the manifestation of a "new spirit" rather than as a definite political achievement. Locarno means the substitution of a "Wilsonian spirit, of the spirit of Geneva" for the system of an alliance of victorious nations that was set up at the end of the war. France accepts the new method for practical reasons, as the old ones are no longer available. The alliance of the conquerors broke down because of the desertion of the United States, of the quasi-desertion of England, of Italy's failure to support the occupation of the Ruhr. The Ruhr operation, necessary though it had been, had to be given up as a result of the victory of the Left parties at the polls, and it could not be resumed now even if Poincaré returned to power. The old policy "would have been more fruitful, especially with regard to reparations. But that policy is dead. * * * We give up an ideal of justice for the sake of practical attainments." The system of automatic

sanctions, which is no longer applicable, has given way to one of international guarantees, with German participation, and of arbitration to be applied on an unprecedented scale. The new entente is essentially European, even Continental practically, as the British dominions have no part in it, and England herself assumes no obligations beyond the Rhine. Though it is not true that it is directed against America, it is tantamount to a declaration that Europe "fara da se." The Locarno agreement is not a denial of the League of Nations; on the contrary, it is subordinated to it. Yet at the same time it may mark the beginning of a system of "regional agreements," of Continental leagues of nations. The agreement has brought satisfaction to all. To France, it gives the guarantees of security for which she has striven in vain since the end of the war. To England, it affords an opportunity to guarantee France's security at little cost and without forfeiting German friendship. Germany is restored to the position of political equality with the other powers. Poland's alarms have been to a great extent allayed by the arbitration treaties of Locarno.

The Locarno Pact may eventually be extended and become the nucleus of a United States of Europe. Enthusiasm over Locarno would, how-

ever, be premature. Germany's reliability has yet to be tested, both in view of her past performances and of the recent manifestations of a reborn militarist spirit. France should frankly cooperate for the materialization of the promise of Locarno, but this should not prevent her from remaining on her guard.

The Future of Reparations

JULIUS KALISKI, in *Sozialistische Monatshefte*,
BERLIN, October, 1925.

THE writer reviews the history of the reparations controversy as one of repeated endeavors by France—endeavors that have never met with frank response by Germany—to reach an arrangement for economic cooperation with Germany in the reconstruction of the devastated provinces. Even when agreements have been formally concluded, such as those reached by Loucheur and Rathenau, or by Stinnes and Lubersac, their promise was frustrated by the general anti-French trend of German policies. The anti-French orientation the principal sponsors of which in Germany has originally been the Socialists, was later taken over by the parties of the Right as well, as a matter of "patriotic" rivalry. The general prevalence of anti-French feelings accounts still now for the unfriendly reception given in Germany to suggestions which appear in the French press with regard to deliveries in kind and to the supplying of German labor for reconstruction work. This, however, is the only practicable way of carrying out the Dawes plan without destroying Germany's national economy. The writer favors, in particular, as he did all through the years of controversy over reparations, the importation of German labor into France for work on reconstruction projects. In addition to the fiscal advantages of this form of payment, German economy would benefit by being relieved from the pressure of the oversupply of labor.

"Franco-German co-operation would be more durable than all compacts, and it might well begin, as a new departure in the reparation policy, with joint work for the reconstruction of France. The fetters of the Dawes Plan would thus be transformed into the mainstays of the Continent Loucheur and Rathenau, or by Stinnes and as an economic unit. It is only through rational production that the Continent can recover its health."

League of Nations and Economic Reconstruction

Senator MAGGIORINO FERRARIS, in *Nuova Antologia*, ROME, October 1, 1925.

THE writer discusses the resolution adopted by the last Assembly of the League of Nations, at the initiative of M. Loucheur, in favor of the calling of an international economic con-

ference, a proposition which he had himself advocated for several years. It is essential that the political aspects of the League's work for international peace be supplemented by the building up of a new international economic organization. The proposed conference must not end, as did the Brussels Conference of 1920, in mere resolutions and recommendations. It must result in a "financial reconstruction compact" between the nations. Failure of the conference would mean "the moral bankruptcy of conservative and official Europe in the face of the assault of revolutionary subversive ideas, which seem to be gaining ground even in countries so far immune. * * * The recent attitude of the English trade unions ought to serve as a warning of particular importance."

Germany and the Slavic Problem

LOUIS EISENMANN, in *Die Neue Rundschau*, BERLIN, October, 1925.

THE writer discusses the post-war Slavonic problem as it confronts Germany. Before the war the position of Germany in relation to the Slavs was that of a ruling nation. That was so notwithstanding Russia's influence in European affairs, which at times amounted to an actual hegemony. The collapse of Imperial Russia has brought emancipation to the Slavs and has greatly enhanced their political importance and influence. There is, however, no reason to speak of a "Slavonic danger" in reference to this new situation. Unlike the old Pan-Slavism, the present solidarity of the Slavs is purely defensive. It is also essentially European in its inspiration, inasmuch as it has given up the Asiatic ideal of oppressive uniformity for that of the differentiation and free play of national characteristics. The new Pan-Slavism is thus an element of order and peace in Europe.

So far as Germany is concerned, each group of Slavs presents a different problem. With the Southern Slavs Germany has no national conflict. The conflicts of the past, due to Germany's desire for expansion toward the Aegean, are now over. There is, however, the danger that they may be revived if the annexation of Austria becomes a fact. With the Western Slavs the relations are closest and also the most strained. The problem of the German minority in Czechoslovakia is one of keen interest to Germany. However, it is only among the extreme Nationalist groups in Germany that territorial expansion in that direction is still considered a possibility; the stability of the Czechoslovak Republic must now be regarded as a fact. Here, too, the principal element of danger is the demand for the annexation of Austria, which is a matter of the gravest national concern for Czechoslovakia. The opposition between Germany and Poland is partly due to the contrast of the national characters,

but chiefly to the absence of a natural frontier between the two countries. The contempt which the Germans profess for the Poles may conceal a certain amount of fear. Poland has given proof of an astounding vital power. She has also shown great political ability; it has been a long way from her unrestrained demands of the first years that followed the war to her present sober and practical policies. The two points of tension between the two countries are Upper Silesia and the Danzig Corridor. The former question has been settled fairly. As to the corridor, it is a vital necessity for Poland. Nor can Germany expect to be able to force a solution favorable to her by sheer physical force, as both Czechoslovakia and Yugoslavia are sure to come to Poland's support in case of an armed conflict over either of the problems referred to. As to the reliance upon Russia's aid against Poland, it is hardly justified. Russia, it is true, is still regarded in Germany both as a field for expansion and as a natural ally against a hostile European order. There persist indications that the intimacy between the Hohenzollerns and the Romanovs has survived the two dynasties. But Poland is no longer for the Russia of the Soviets an object of national politics, as it was for Czarist Russia, but a tool of international revolution. Czarism needed German support for its domestic purposes, while at the present time Germany needs Russia more than Russia needs her. The opportunities for expansion eastward are thus diminished and they will continue to diminish as Russia's progress toward national consolidation proceeds further.

The traditional German view of the Slavs as an inferior race will have to be given up and the fact will come to be realized that the backwardness of the Slavonic nations is a result of historical conditions, not of racial inferiority. The notion of a French-Slav conspiracy for the destruction of Germany will likewise have to be discarded, as being of the same class as that of the so-called Entente policy of encirclement of Germany. The alliance

between Russia and France was not dictated by aggressive motives, which were absent on either side. It was, like the present friendship between France and the Slavs, a result of mutual cultural interest and attraction.

The national renaissance of the Slavs is the outstanding fact of European politics, and it is of foremost interest for Europe and, above all, for Germany, that the latter shall assume the right attitude toward the new situation.

France and an Independent Austria

MARC-HENRY, in *La Revue Mondiale*, PARIS, October 15, 1925.

THIS writer declares that "the pivot of French Continental politics is at Vienna, and the security of France's Eastern markets is conditioned upon the existence of an autonomous and vigorous Austria, rather than upon the deceitful conclusion of a Rhine pact." Absorption of Austria by the Reich will mean a resumption of the German "Drang nach Osten," the breaking up of Czechoslovakia through the separatist action of the German minority, a similar danger for Yugoslavia and Rumania, and the possibility of Hungarian revenge. It seems impossible, however, to prevent this development, as the allied politicians and diplomats did everything to prepare the ground for it by destroying the Habsburg Empire. It should have been possible to give satisfaction to the national aspirations of the peoples of the Dual Monarchy while uniting them, at the same time, into an economic and financial confederation. If Austria had to be made independent, its continued existence as such an independent State demanded outside financial aid on an incomparably larger scale than that extended by the League of Nations for the limited purpose of currency restoration.



Congress Opens With President Urging Economy

*The Budget for the Next Fiscal Year—Secretary Mellon's Criticism
of Expenditures on National Defense—Aviation Controversies—
Government's Policy on Agriculture*

By WILLIAM MACDONALD

Lecturer on American History, Yale University

THE first session of the Sixty-ninth Congress opened on Dec. 7, 1925.

Three new Senators—Arthur R. Robinson of Indiana, George H. Williams of Missouri and Robert M. La Follette Jr. of Wisconsin—took the oath of office. The elections of three Senators—Smith W. Brookhart of Iowa, Sam G. Brattson of New Mexico and Thomas D. Schall of Minnesota—were contested, and the appointment of Gerald P. Nye of North Dakota by the Governor during a recess of the Legislature was questioned on constitutional grounds. Action of the Senate on these four cases will follow a report by the Committee on Privileges and Elections.

In the House of Representatives Nicholas Longworth of Ohio was chosen Speaker, receiving the support of all the Republican members except the thirteen adherents of the "insurgent" or La Follette bloc, who voted for Henry A. Cooper of Wisconsin. Speaker Longworth in his address declared his opposition to "the European system of bloc government," and rules adopted by the House appeared to be designed to insure complete control of legislation by the Republican majority. The nominations already made in the Republican and Democratic caucuses for members of the Ways and Means and a few other important committees were approved, the remaining committee places being left to be filled later. Discipline was administered to the "insurgents" by the Republican Committee on Committees on Dec. 10, when in almost every case they were ousted from important Chair-

manships of committees or left off committees altogether.

The President's annual message, read on Dec. 8 by the clerks of the respective Houses, indicated from the outset a conservative attitude toward public questions. "The country," it was declared, "does not appear to require radical departures from the policies already adopted so much as it needs a further extension of these policies and the improvement of details." Congress was reminded that the functions which it was to discharge "are not those of local government but of national government," and "the greatest solicitude" was urged "to prevent any encroachment upon the rights of the States or their various political subdivisions." Economy in public expenditure and support of the budget system were called for and the revenue bill prepared by the Ways and Means Committee of the House was approved "in principle" and the hope expressed that the bill would reach the President before March 15:

In so far as income tax exemptions are concerned, it seems to me the committee has gone as far as it is safe to go and somewhat further than I should have gone. Any further extension along these lines would, in my opinion, impair the integrity of our income tax system.

The Locarno settlement was commended as an important step in the direction of world peace:

It seems clear that it is the reduction of armies rather than of navies that is of the first importance to the world at the present time. . . . If that can be settled, we may more easily consider further reduction and limitation of naval armaments.

The message commended the immigration law as "on the whole beneficial" and

"undoubtedly a protection to the wage-earners of this country," but urged a careful survey of the situation "in order to ascertain whether it is working a needless hardship upon our own inhabitants." Congressional authorization for the sale of Muscle Shoals was asked, together with authority for the President and the Departments of Commerce and Labor to deal with "the perennial conflict in the coal industry," the authority in the latter case to extend to the appointment of temporary boards and the adjustment of differences, "and in case of threatened scarcity exercise control over distribution." The consolidation of railways under the supervision of the Interstate Commerce Commission, "with power to approve or disapprove when proposed parts are excluded or new parts added," received the President's approval, as did the recommendations of the Aircraft Board and the proposed control of the merchant fleet by a single executive head. On the subject of national prohibition the President said:

I request of the people observance, of the public officers continuing efforts for enforcement, and of the Congress favorable action on the budget recommendation for the prosecution of this work.

Reports that President Coolidge would adhere to the policy of American membership in the World Court, notwithstanding the opposition of Senator Borah and others, were confirmed by the extended reference to the subject in the annual message:

The proposals submitted to the Senate were made dependent upon four conditions, the first of which is that, by supporting the Court we do not assume any obligations under the League; second, that we may participate upon an equality with other States in the election of judges; third, that Congress shall determine what part of the expenses we shall bear; fourth, that the statute creating the Court shall not be amended without our consent; and to these I have proposed an additional condition to the effect that we are not to be bound by advisory opinions rendered without our consent. * * * The Court appears to be independent of the League. * * * The most careful provisions are made in the statute as to the qualifications of judges. * * * No provision of the statute seems to me to give this Court any authority to be a political rather than a judicial court. * * * We are not proposing to subject ourselves to any compulsory jurisdiction. * * *

We can contribute greatly to the advancement of our ideals by joining with other nations in maintaining such a tribunal.

The new revenue bill, following in general the lines already indicated and providing for a tax reduction of more than \$325,000,000, was reported by the Ways and Means Committee of the House at the first session.



William R. Green,
Chairman of the
Ways and Means
Committee of the
House of Represen-
tatives

The budget for the fiscal year ending June 30, 1927, transmitted by President Coolidge in a special message on Dec. 9, called for an expenditure of \$3,494,222,000, a reduction of nearly \$125,000,000 from the present year and the lowest since the World War.

The President expressed the opinion that, while economy should still continue, "we have about reached the time when the legitimate business of Government cannot be carried on at a less expenditure than that which it now requires." There was no question, the President declared, but that Federal contributions for highway construction had materially added to State expenditures of State funds, and he recommended that "future legislation restrict the Government's participation in State road construction to primary or interstate highways, leaving it to the States to finance their secondary or intercounty highways."

The Secretary of the Treasury, Andrew Mellon, in his annual report, transmitted to Congress on Dec. 10, pictured the past year as a period of genuine prosperity for practically all classes and declared that most of the factors in the business situation were apparently sound and justified an optimistic attitude regarding the future. One of the most striking passages in the report was that in which Mr. Mellon stated that more than 80 per cent. of the national expenditures of foreign countries with war debts were attributable to past wars and the national defense. Moreover, the amounts spent by the United States Government in aid of agri-

culture and business, for science, education, better roads and other constructive efforts were insignificant when compared with the outlays due to war and national defense. Mr. Mellon added:

These facts should be faced squarely by those who clamor for reduced governmental expenditures and at the same time oppose the world's effort to devise rational methods for dealing with international questions.

Mr. Mellon's report contained a detailed table showing receipts and expenditures for the fiscal years 1924 and 1925 and estimated receipts and expenditures for the fiscal years 1926 and 1927 on the basis of unrevised daily Treasury statements. Summarized these amounts were:

Total Ordinary Receipts.	Total Expen- ditures Charge- able Against Ordinary Receipts.	Excess of Ordinary Receipts Over Total Expen- ditures Charge- able Against Ordinary Receipts.
1924—		
\$4,012,044,701.65	\$3,506,677,715.34	\$505,366,986.31
1925—		
3,780,148,684.42	3,529,643,446.09	250,505,238.33
1926—		
3,880,716,942.00	3,618,675,186.00	362,041,756.00
1927—		
3,824,530,203.00	3,494,222,308.00	330,307,895.00

The annual reports of other Cabinet officers and heads of bureaus, summaries of a number of which were made public shortly before Congress met, contained the usual comprehensive surveys of administrative business and problems. The Secretary of Commerce, Herbert Hoover, who declared that the elimination of waste and the increase of efficiency in industry during the past five years constituted "one of the most astonishing transformations in economic history," reported that some 900 group conferences had been held under the direction of the Department since 1921 and that upward of 200 committees were now co-operating with the Department in its plans.

The Secretary of Labor, James J. Davis, urged the closing of unnecessary mines and industrial plants as a means of checking overproduction, recommended the enrolment of all aliens now in the country and dwelt upon the evils of jurisdictional disputes between rival labor organizations. The number of aliens entering the United

States during the fiscal year was 294,314, a decrease of 412,532, or 58.4 per cent., in comparison with the previous year.

A saving of more than \$82,000,000 in the administrative expenses of the Department of the Interior during the past two years in part effected by dropping more than 2,000 employes was reported by the Secretary, Hubert Work. Particular attention was called to the condition of Alaska, which Mr. Work declared was "rapidly becoming a lost province" because of divided administration, lack of self-government and neglect. A maximum population of 75,000 has shrunk to about 20,000 and the product of natural resources "wavers and recedes."

The approval by the Secretary of Agriculture on Nov. 19 of a national system of highways completed a task upon which a joint board of twenty-four State and Federal highway officials have for some time been engaged. The system, to be known as United States Highways, comprises 75,884 miles of routes, the number of routes being 145.

The increased postal rates voted by the last Congress, Postmaster General New reported, had failed to meet even one-half of the increased wages granted to postal employes. The gross revenue of the Department, on the other hand, was \$26,642,699 more than in 1924.

According to the report of the Chief of the Bureau of Insular Affairs, the year ended June 30, 1925, was one of general prosperity and progress. The American Chamber of Commerce of the Philippine Islands reported on Dec. 6 that the imports of the islands from the United States had increased fifty-fold in the twenty-five years of American occupation, while a statement of the National City Bank of New York showed a doubling in ten years of American trade with the non-contiguous possessions.

Reports in November that the Virgin Islands were to be attached to Porto Rico for administrative purposes at the coming session of Congress evoked strong protests from certain inhabitants of the Islands. A petition signed by 13,000 Porto Ricans, protesting against the social and economic conditions under which they lived, and declaring that "privilege and incompetency

have prevailed for years," was presented to President Coolidge on Nov. 26. The refusal of United States immigration officials in Hawaii to accept birth certificates issued under territorial authority was made the subject of earnest representations by the Governor of the territory, W. R. Farrington, in his annual report made public on Dec. 5.

The Secretary of War, Dwight F. Davis, characterized the situation of the regular army as "extremely serious." Housing conditions are poor, the rate of desertion is high, reserves of ammunition and supplies are insufficient, and the Reserve Officers' Training Corps, the National Guard and the Air Service, are too small for the requirements of national defense. An increase of the army from 118,750 enlisted men and 12,000 commissioned officers, its present strength, to 150,000 men and 13,000 officers, was recommended. Attention was also called to the need of better defenses for the Panama Canal and Hawaii.

The report of the Aviation Inquiry Board, appointed by the Secretary of War at the suggestion of President Coolidge to consider the organization of the Federal aviation service and headed by Dwight W. Morrow, was made public on Dec. 2. The board rejected the proposal to create a unified air service, and also the suggestion of amalgamating the War and Navy Departments in a Department of National Defense with an aviation branch. Various recommendations were offered, however, for improving the aviation service, and the Government was urged to give all possible encouragement to the development of commercial aviation. Referring to the conflicting criticism which had been presented to it of the existing aircraft situation, the board stated that "what is needed

is a more generous appreciation by each side of the difficulties of the other side."

The recommendations of the Morrow Board differed diametrically from those adopted on Dec. 8 by an investigating committee of the House of Representatives. The committee recommended the establishment of a Department of National Defense under unified command, and headed by a civilian Secretary with Assistant Secretaries for Land, Sea and

Air, together with numerous other changes intended to improve the air service. The recommendations met most of the complaints lodged against the air service by Colonel William Mitchell, whose trial by court-martial on charges of improper criticism of the service and its administration was continued.

A plan for the settlement of the anthracite coal strike, proposed by Governor Pinchot of Pennsylvania on Nov. 27 and contemplating the immediate resumption of work at the 1923 wage scale and the creation of a special fund as a sub-

stitute for the check-off, was rejected by the operators. John L. Lewis, President of the United Mine Workers, was reported as saying that the suggestions afforded a basis for framing a new contract and that the miners were ready to meet the operators in conference, but that work would not be resumed until a new agreement was signed. Major W. W. Inglis, spokesman for the operators, declared on Dec. 1 that the operators were willing to accept any scheme of arbitration "that will provide for reasonable, fair and impartial determination of the conditions and make awards in accordance with such determination." The Pinchot suggestions, he said, "do not pave the way even for peace, much less a lasting peace." An attempt by a committee of business men from the anthracite region to effect a settlement on Dec. 9 failed. In



Harris & Ewing

DWIGHT F. DAVIS,
Secretary of War

a letter to President Coolidge on Nov. 21 Mr. Lewis asked the President to act to enforce a wage agreement in the bituminous coal industry, which, he alleged, a number of large producers had violated. The President's reply was withheld from publication in order not to interfere with Governor Pinchot's efforts for a settlement.

Two important public addresses have been made by President Coolidge in the period under review. In a speech before the New York State Chamber of Commerce at New York, on Nov. 19, Mr. Coolidge declared his opposition to needless Government regulation of business, praised American aid in the recovery of Europe but opposed foreign loans in aid of war, insisted upon the payment of the war debts to this country, and urged the entry of the United States into the World Court. Particular reference was also made to the progressive efficiency that was being shown in the conduct of Government business and the elimination of waste in industry, and to the rise of wages above the pre-war rate.

In an address at Chicago on Dec. 7, before a convention of the American Farm Bureau Federation, President Coolidge made clear the policy of the Administration in regard to agriculture. The organization of corporations "through which the Government would directly or indirectly fix prices or engage in buying and selling farm products" was declared to be "a dangerous undertaking" likely to "destroy co-operative associations and all other marketing machinery" and put an end to the independence of the farmers. "Government control cannot be divorced from political control," and "the Government price is not always a high price." The address praised cooperative marketing, in furtherance of which a bill had been prepared for the consideration of Congress, and argued at length the benefits of a protective tariff to the farming interests.

Additional significance attached to the President's address because of the approval already given on Nov. 24, at a conference of Chicago and Iowa bankers and business men and the Secretary of Agriculture at Washington, to plans for an agricultural credits association. On Dec. 1, at a further conference at Chicago, two such associations, or banks, to be located at Fort

Dodge and Des Moines, Iowa, were organized and the capital stock of \$250,000 each was subscribed.

The enforcement of prohibition has been accompanied, on the one hand, by criticism of the President and Secretary Mellon because of alleged laxity or indifference, and by increased efforts on the part of the "wets" looking to a modification of the present régime by Congress. A treasury order issued on Nov. 18 revoking all permits for the manufacture or sale of alcohol after Dec. 31 was modified the next day by extending the time for from sixty days to one year in the case of industrial establishments and warehouses. All permits for the home manufacture of wine, said to number several hundred thousand, were withdrawn on Nov. 22, and on Dec. 1 new and more stringent regulations governing the sale of sacramental wine were promulgated. The Boston & Maine Railroad, three prohibition agents, and nearly a score of other persons were indicted by a Federal grand jury at Chicago on Nov. 18 for alleged connection with a beer syndicate. What was said to be the "greatest round-up in the history of prohibition" began in New York on Dec. 3 with the arrest of a number of persons said to be members of the international liquor ring, among the persons arrested being a special prohibition investigator. On Nov. 27 a grand jury in Burlington County, N. J., returned 945 indictments against seventy-four men charged with violating the prohibitory law of the State.

Figures issued by the Department of Labor on Nov. 25 showed that the purchasing power of union wages in 1925, measured by living costs, was 37½ per cent. more than in 1913. A study by the National Industrial Conference Board of 248 formal pension plans conducted by 245 companies and affecting 2,815,512 employees, together with 148 formal plans resting upon an individual merit basis, showed an annual outlay for employees' pensions of more than \$30,000,000.

Figures made public by the National City Bank of New York on Nov. 19 showed a gain of 60 per cent. since 1920 in the trade of the United States with the new States created or reconstituted as a result of the World War.

The development of railway transportation was shown by the authorization of 1,033 miles of new lines by the Interstate Commerce Commission during the first eleven months of the year, the abandonment of 685 miles during the same period, the restoration to the New York, New Haven & Hartford Railroad, by decree of a Federal Court, of the trolley lines in New York and New England which were taken from it under the Sherman act of 1914, and the announcement on Nov. 21 that the Interstate Commerce Commission had informed President Coolidge that it was opposed to any legislation looking to the forcible consolidation of railways.

Charges of monopoly and unlawful conspiracy in restraint of trade and competition have been lodged by the Federal Trade Commission against the Famous Players-Lasky Corporation and affiliated concerns engaged in distributing and exhibiting moving pictures.

The controversy between the Texas Legislature on the one hand and Governor Miriam A. Ferguson and her husband, former Governor James E. Ferguson, has continued to attract nation-wide attention. A suit brought against the American Road Crossing Company on behalf of the State resulted on Nov. 21 in an agreement by which the company turned over to the State some \$600,000 of alleged excess profits and accepted the cancellation of its permit to do business in the State. The attempt of a group of members of the Legislature to force the calling of an extra session, however, for the purpose of investigating the road scandals and other matters as a preliminary to impeachment proceedings, fell to the ground through the refusal of the Fergusons to be coerced and the opinion of the Attorney General that the holding of a special session at private expense, as had been proposed, would be contrary to public policy and that the contingency fund of the

last Legislature could not be used for the purpose. The controversy was intensified on Dec. 3 by charges of improper conduct by Governor Ferguson and her husband in the matter of a State schoolbook contract.

The National Industrial Council reported the passage of 13,018 laws by the thirty-nine State Legislatures which held sessions in 1925. The figure represents about one-third of the bills introduced.

Notable incidents of the continuing "crime wave" have included the robbery of a bank car, containing about \$57,760, by bandits in Chicago on Nov. 24; the terrorizing of Cassopolis, Mich., by an armed gang for three hours on the same date; the holding up of a bank at Renner, S. D., by two women on Nov. 27, and the indictment of seven members of an alleged "bombing trust" at Chicago on Nov. 28.

Charges of the torture of Georgia prisoners, based upon investigations by a legislative committee, were made public by the Chairman of the Committee on Nov. 21.

At the trial of Senator Burton K. Wheeler of Montana and others on charges of conspiracy to defraud the Government in the matter of permits to prospect for oil, begun at Chicago on Nov. 27, counsel for the Government admitted that the law did not in terms sustain the indictment, but insisted that a "fair reading" of the statute, "judicial interpretation" and reference to the debates of Congress and public policy were sufficient to uphold it.

The annual report of President Nicholas Murray Butler of Columbia University, made public on Dec. 6, contained an earnest plea for increased religious instruction at the university "for those who seek it," as an offset to the "illiterate ministry" now "in ample evidence on every side." Dr. Butler adds:

The outstanding fact is that both the family



MIRIAM A. FERGUSON,
Governor of Texas

and the Church have abdicated as systematic and serious teachers of religion. * * * If the full truth were said it would probably be that the greatest obstacle to religious faith, religious conviction and religious worship is the attitude and influence of a very large proportion of the poorly endowed and poorly educated Protestant clergy.

Following a lively public discussion at the College of the City of New York, the students late in November voted about 6 to 1 in favor of abolishing the required courses in military training.

A resolution adopted by the Tennessee Academy of Science, at its meeting at Nashville on Nov. 27, characterized the

anti-evolution law of the State as "a backward step and a needless interference with scientific research."

Benjamin Gitlow, Socialist and former New York State Assemblyman, was pardoned on Dec. 11 by Governor Alfred E. Smith. Gitlow was convicted of criminal anarchy, and in February, 1920, was sentenced to from five to ten years in Sing Sing. He took the case to the Court of Appeals, which affirmed the conviction. The case then went to the United States Supreme Court, which upheld the validity of the statute under which Gitlow had been convicted.

[MEXICO AND CENTRAL AMERICA]

Alien Land Bill Amended by Mexico

Mexican Chamber Passes Progressive Labor Law—Decrease in Panama Canal Traffic During 1924-1925—The First Cuban Exposition in the United States

By CHARLES W. HACKETT

Associate Professor of Latin-American History, University of Texas

INTEREST in Mexico centred during November on proposed or pending legislation in the Mexican Congress. The Alien Land bill, which is designed to put into operation Constitutional Article 27, differs in some respects in the form in which it finally passed the Chamber of Deputies on Nov. 13 from the original bill that was introduced on Oct. 1. The bill, as amended, extends the time limit in which foreigners must dispose of properties located within the prohibited zones along the international boundaries and seacoasts from three years to ten years. Inhibitions in the original bill against foreigners owning property outside of the prohibited zones except as minority stockholders of Mexican corporations were eliminated and permission is now given to foreigners to be majority stockholders in corporations outside the prohibited areas, provided the land owned by such corporations is not held for agricultural purposes. A saving clause provides that land held under long-term

lease by industrial, mining and oil companies shall not be classified as "agricultural land," where the land in question is actually needed by the corporations for their businesses. The amended bill requires that foreign owners of farm lands anywhere in Mexico must dispose of these properties within ten years. One provision of the amended bill which apparently is contradictory to the provisions requiring foreigners to dispose of certain properties within ten years, states that "the rights affected by this law, acquired by foreigners legally before the law became effective, may be retained by the present owners until death," provided they accept the status of Mexican citizens as far as their property is concerned. Provision is made under certain conditions for the right of inheritance. United States Ambassador Sheffield is reported to have made formal representations to the Mexican Government on Nov. 27 against the suspected unconstitutionality of the retroactive features of



Map of Mexico

the bill as passed by the Chamber of Deputies. The Mexican Senate has not acted upon the bill as late as Dec. 8.

The Chamber of Deputies early in November passed a bill which is designed to put into operation Constitutional Article 123; this article authorizes Congress to make laws relative to labor and social welfare. The bill, as passed by the Chamber of Deputies, requires that 80 per cent. of the employes of every concern must be Mexicans. Committees of employes are empowered to fix a minimum wage and, after an examination of the books of their employers for the purpose of ascertaining earnings and profits, to fix amount of profits to be divided among the workers. Employers declining to submit to such an inspection are required to pay a flat 10 per cent. salary bonus to all employes. Provision is made in the bill for the eight-hour working day, payment for overtime work, and full time pay for injured or ill employes. Employers are obligated to provide medicines, medical attention, and hospital service for employes and to educate some of their workmen in technical

colleges. In addition to these obligations, the larger establishments are required to provide homes for a certain number of their employes. Early in December efforts were made in the Senate to modify the bill, but leaders of organized labor demanded its unamended passage, and denied that it was unduly burdensome or unfair to employers. Business interests were reported on Dec. 5 to be alarmed over prospects of the bill becoming a law.

A claims convention between Mexico and Spain, which is similar to the claims conventions between Mexico and other nations, was signed by Minister of Foreign Relations Saenz and Marquis Berna, the Spanish Ambassador, on Nov. 26. Late in November the Mexican Senate considered in secret session the claims convention between Mexico and Germany.

Acting upon a request of the American Legion post of Douglas, Ariz., which was transmitted by the Governor of that State, border military officials, with the approval of Secretary of State Kellogg, gave permission for Mexican troops to cross the international boundary at Agua Prieta,

without arms or ammunition, and to participate in Armistice Day exercises at Douglas.

The modifications in the Lamont-De la Huerta Convention of 1922 for the readjustment of Mexico's external debt—modifications that were agreed to in October by Minister of Finance Pani and the International Committee of Bankers on Mexico—were ratified by President Calles and his Cabinet on Nov. 11. The modified agreement must still be ratified by the Mexican Congress before it becomes effective.

Evidence of a growing demand in Mexico for American commodities, particularly for motor vehicles, is indicated by the fact that 1,072 carloads of motor vehicles entered Mexico through the Port of Laredo, Texas, from Jan. 1 to Nov. 1, 1925, and that this number is 335 in excess of the total number of carloads of motor vehicles which entered Mexico through the same port for the entire year 1924. *El Universal* reported on Nov. 23 that according to an official report of the United States immigration authorities, 18,870 citizens of the United States are at present residing in Mexico.

Figures given out by the Mexican Embassy in Washington late in November reveal the fact that of the countries of the world which produce petroleum Mexico is outranked only by the United States. Some of the statements given out by the Mexican Embassy follow: The number of wells drilled in Mexico up to Feb. 28, 1925, totaled 3,172, of which 2,772 had been producers. The total number of producing wells in Mexico on Dec. 31, 1924, was 1,060; of these 296 were brought in during the latter year. The total investment in the Mexican oil industry up to the present time approximates 779,831,130 pesos, of which 23 per cent. was invested prior to 1917.

The Mexican army in mid-November consisted of 54,000 officers and enlisted men. Official announcement was made that the army had been organized on a definite basis and was fully equipped, and that it would not be reduced below its present number.

Governor Aurelio Manrique, known as the "father of Bolshevism" in the State of San Luis Potosi, was removed from office

by the Legislature of that State on Nov. 16 on charges of having violated the Constitution in his official capacity. The Federal Government later recognized Abel Cano as Governor of San Luis Potosi. When the Legislature of the State of Vera Cruz sent a discourteous telegram to President Calles protesting against the deposition of Manrique, the President on Nov. 20 suspended all relations with the State authorities. The State Legislatures of Zacatecas, Chiapas and Tabasco joined the Legislature of Vera Cruz in suspending relations with the Legislature of San Luis Potosi for having removed Manrique; other Legislatures, including those of Puebla and Colima, congratulated President Calles on his stand in the matter.

The critical situation arising from the lack of employment in Mexico continued during November. According to an announcement issued by the General Confederation of Workers on Nov. 21, there were at that time 42,000 families in the Federal district, and an additional 100,000 families elsewhere in Mexico, without means of support and unable to obtain employment. As a means of alleviating the situation the Confederation of Workers endeavored to establish a six-hour working day with pay for eight hours, so that more men would have to be employed in the various industries.

Nicaragua

THE public debt of Nicaragua has been reduced from \$32,236,223.51 in 1921 to \$7,390,590.20 in 1925; at the present rate of settlement it has been estimated that the entire debt will be paid within four years. Imports into Nicaragua in 1924 were valued at \$8,806,896 and exports were valued at \$12,990,026. It is thus seen that in 1924 there was a trade balance in favor of Nicaragua of \$4,183,230.

Canal Zone

THE annual report of Governor M. L. Walker of the Canal Zone was made public by the War Department on Nov. 8. The report shows a falling off in the business of the Panama Canal during the fiscal year ending June 30. This was attributed by Governor Walker "entirely to the slump

in oil shipments from California." The number of vessels which passed through the canal during the last fiscal year, exclusive of Government and other ships exempt from tolls, was 4,673, as compared with 5,230 vessels that passed through the canal during the preceding year. During the past year cargo in transit, deducting tanker cargoes of oil in transit from California to the East coast of the United States, aggregated 17,933,468 tons, as compared with 17,081,824 tons in 1924. A total of twenty-four flags was represented in the traffic through the canal, with the American and British predominating. "In terms of cargo carried, American vessels accounted for 54.5 per cent. of the whole and British vessels 26.6 per cent." The gross revenue from tolls amounted to \$21,400,523.51, as compared with \$24,290,963.54 for 1924. "For the fiscal year 1925 the net income from tolls and other miscellaneous receipts grouped under the head of transit revenue was \$13,465,924.72, as compared with \$16,307,948.50 in 1924. The total net revenue of the year from all sources, exclusive of the Panama Railroad Steamship Line, was \$15,757,751.70.

Cuba

UNDER the auspices of the Cuban Government and the Cuban Chamber of Commerce the first Cuban Exposition in the United States was formally opened in New York on the evening of Nov. 16. The exposition was designed to give a picture of the economic and social life of the residents of Cuba. The feature of the formal opening was an address by General Gerardo Machado, President of Cuba and Honorary President of the Exposition; his words

were broadcast from the National Palace in Havana and amplified for the auditors at the exposition in New York. In his address President Machado emphasized the cordial economic and political relations between Cuba and the United States.

Mayor-elect Walker of New York was the guest of the Cuban Government in November. Mr. Walker and his party were carried to Cuba from Florida on a Cuban gunboat on Nov. 23, and were formally received by President Machado and his Cabinet that same afternoon.

Señor Sanchez Aballi presented his credentials as Ambassador of Cuba to President Coolidge on Dec. 3.

Haiti

THE Monthly Bulletin published by the Financial Adviser-General Receiver of Haiti for September, 1925, states:

Total revenue receipts for the year ended Sept. 30, 1925, were 40,487,667.00 gourdes (a gourde is equivalent to twenty cents), against 32,902,321.33 during the preceding year, an increase of 7,585,345.67 gourdes, or nearly 23 per cent., and compared with a budgetary estimate of 30,624,820.22 gourdes. Receipts for the year just closed were nearly six and a half million gourdes greater than those of the best year since the American intervention, the year 1919-1920, when revenue amounted to 33,997,450.79 gourdes. Such a volume of revenue as that of the year just closed has not been realized since the fiscal year 1890-1891, when following the method of computing the exchange value of the gourde * * * receipts reached the total of 40,868,026.30 gourdes, a figure which was also six million gourdes greater than any other year prior to the intervention. It is understood that the unusual volume of revenue collections in 1890-1891 was due to an accumulation of export products during a preceding period of domestic disturbance.

Friction Delays Tacna-Arica Plebiscite

*New Budget Drafted in Argentina—Brazilian Senator Denies
Inflation of Coffee Prices by the Nation—National Elections
in Chile*

By HARRY T. COLLINGS

Professor of Economics, University of Pennsylvania

TACNA-ARICA difficulties took on a new significance during the month under review when Chile brought the dispute to the League of Nations. Señor Valdes Mendeveille, Chilean Minister to Switzerland, on Dec. 1 presented a memorandum on the matter to Sir Eric Drummond, Secretary General of the League. The Chilean Minister's object in doing this was not clear, as Chile later formally announced that the memorandum was an informal presentation of the proceedings, and did not constitute an official appeal to the League of Nations on this controversy. In European circles the opinion prevailed that this memorandum presaged the official submission of the question to the League.

Señor Mendeveille's document constituted an arraignment of General John J. Pershing as President of the commission which for months past has been arranging for the prospective plebiscite. It declared that General Pershing has been placed in an erroneous position by reports furnished by his American observers who, "speaking little Spanish and being insufficiently acquainted with the internal conditions of South American life or the diplomatic proceedings of Peru, are incapable of judging the situation."

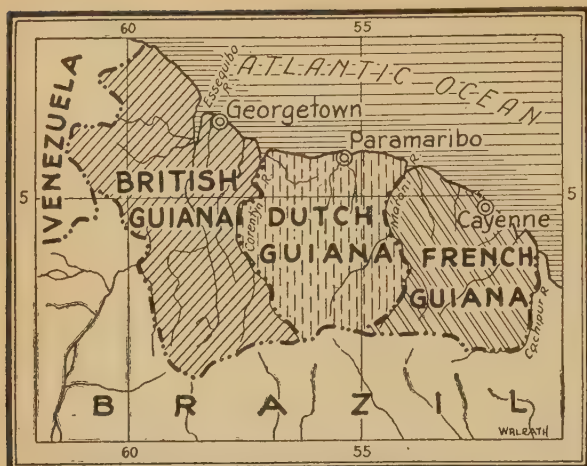
After explaining that the Plebiscite Commission was constituted under the Presidency of General Pershing conformably to the arbitral decision of President Coolidge, the memorandum continued:

The commission has been sitting at Arica for four months, and Chile has fulfilled all the conditions laid down by General Pershing, including a guarantee for impartiality of voting and the withdrawal of troops. Nevertheless, General Pershing has convoked new meetings of the com-

mission without putting on the agenda the questions of fixing a plebiscite date or voting conditions.

Chile, believing that the adjournment of the plebiscite would increase animosity between that country and Peru, instructed its representatives, according to the memorandum, not to participate in the sittings of the commission until General Pershing consented to discuss the date of the plebiscite. The note charged that Peru, fearing an unfavorable outcome, had obstructed the plebiscite by fomenting trouble, and had done this so cleverly as to convince General Pershing that the early fixing of a plebiscite date was inadvisable. On this point the communication maintained that "if General Pershing persists in not hastening the plebiscite, he is playing the game of the Peruvians and becoming involuntarily the best collaborator of Peruvian obstruction."

The memorandum of Chile to the League of Nations came as the climax to a series of important happenings. As early as the middle of November authoritative reports from Chilean circles characterized the situation as hopeless. Their representatives thought that the work of the Plebiscitary Commission had reached an impasse and that the dissolution of the commission was probable. During September and October Peru complained of unfair treatment of its citizens by Chile in the Tacna-Arica area, and charged that prospective Peruvian voters were being deported. Several minor clashes between the two nationalities took place in the disputed territory. During November both General Pershing and Peru were put upon the defensive by Chilean charges of obstruction of the plebiscite and



Map of the Guianas, the only colonies in South America belonging to foreign countries

of unfair treatment. Señor Augustin Edwards, head of the Chilean delegation of the commission, sent a note to General Pershing on Nov. 21, voicing the complaints of his fellow Commissioners. A second note from Señor Edwards on Nov. 26 charged the American General with partiality toward Peru and with frustration of the plebiscite; the note essayed to prove that American activities were directed against Chile through investigation of "trivial, ridiculous and futile Peruvian complaints" and "by refusing to enact an electoral law." This procedure by the American delegates, it was stated, supplied the Peruvian delegation with "all the arguments and moral support needed for the continuance of its work of undermining and destroying the very object of the arbitral award." The note continued: "The President [General Pershing], doubtless without desiring to do so, is supplying arguments for Peru whereby she may be strengthened in her contention that the decision, with the execution of which we have been entrusted, is erroneous and unjust."

In addition to the charges the two notes made certain demands for action by the commission. This body was asked to include in the agenda of its next meeting a resolution under which the Election Law Committee must issue a report not later than Dec. 10, to be approved by the commission not later than Dec. 15; registration for voting to begin in the disputed

area not later than Dec. 20 and to close Jan. 10, so that the plebiscite could be held Feb. 1. The communication made clear its insistence upon action which would lead forthwith to voting and Chilean delegates were commanded to abstain "from all proceedings of the commission or subsidiary bodies unless the proceedings related strictly to regulations for registration and voting, which constitutes a fundamental precept and the first duty of the commission itself."

The former President of Chile, Señor Arturo Alessandri, who, after his resignation went to Arica to assist his country, expressed dissatisfaction with American activities at Tacna and Arica, accusing the Americans of "promoting conflict, discord and hatred." These charges were embodied in a speech delivered Nov. 23 at the funeral of a Chilean soldier, who had been killed in one of the minor clashes that had taken place between the armed forces of the two nations. In Peru, however, a more friendly attitude is assumed toward Americans; a distinguished American, now in Lima and who has been a close observer of the Tacna-Arica proceedings, sends the following interesting note:

Every one is pleased with the attitude of General Pershing. He has completely won the Peruvians by his patience, tact, fairness and firmness.

I am with the President and most of the Ministers every Saturday and I find only a disposition to insist upon such guarantees as shall assure a fair expression of the will of the people of Tacna and Arica.

At the request of General Pershing the following officers were directed by President Coolidge, on Nov. 20, to proceed to Arica to aid in carrying out the plebiscite: Colonel Francis Le J. Parker, Cavalry; Lieut. Col. Arthur W. Brown, Judge Advocate; Colonel Frederick M. Brown, Judge Advocate; Major Robert M. Campbell, General Staff (Cavalry); Major Martin C. Shallenberger, Infantry; Major Carey I. Crockett, Infantry; Lieut. Col. Frank L. Pyle, retired. These officers, who sailed from New York Dec. 3, were to be followed by others who would aid in the settlement

of difficulties. The American cruiser Rochester, which conveyed General Pershing and his party to Chile, has been anchored in the harbor at Arica since Aug. 2. The vessel, which was in need of repairs, was relieved on Dec. 2 by the cruiser Denver.

It was announced that manoeuvres of the United States Navy during the Spring of 1926 would not extend along the west coast of South America, as was originally planned, but would be restricted to a narrow area in the Pacific close to the western entrance of the Panama Canal. A trip southward will be made in the Spring of 1927, provided the international situation warrants it.

Official announcement was made on Dec. 8 that Señor Beltran Mathieu, for years Chilean Ambassador to the United States, was to become Foreign Minister in the new Chilean Cabinet. This gave rise to press rumors that the Tacna-Arica parley would be shifted to Washington to avoid the bickerings that have prevailed at Arica. These reports were officially denied by both Governments.

The commission on Dec. 9 approved General Pershing's motion for fixing the date of the plebiscite and rejected the Chilean motion. The Chilean delegation decided to appeal to President Coolidge. The Pershing motion included a paragraph in which Chile was required to answer definitely whether in the future she would carry out faithfully all the demands of the commission and whether she would fulfill those already issued, which had not yet been fulfilled, and finally whether Chile would cooperate faithfully in holding the plebiscite.

General Pershing's motion began with a long preamble in which it was charged that Chile had not fulfilled the requirements of a free plebiscite, had unlawfully administered the territory, violated the award by refusing to carry out the rulings of the commission, and otherwise rendered the holding of a free referendum impossible.

The United States Shipping Board on Dec. 14 accepted the offer of the Munson Line for the four Government ships which that company has been operating since 1921 between New York and Argentina. The

President of the company, Mr. Frank C. Munson, announced that under private control the existing schedule of sailings would be maintained. It was also announced that the company had inaugurated a campaign to increase passenger and freight business on the east coast of South America.

Argentina

THE National Congress convened on Nov. 23, but no business was transacted until Dec. 9, when the results of the provincial and municipal elections were made known. A committee of the House finished a draft of the new national budget late in November, 1925, the total appropriations varying little from the 1925 figures. Industrial and commercial interests have demanded that Congress effect a reduction of taxes on production and general governmental economy. National revenues up to Dec. 1, 1925, exceeded those of 1924 by approximately 6½ per cent.

The Argentine wheat crop is harvested during November and December. Estimates of the total wheat crop of the country placed the amount at 210,000,000 bushels, somewhat above the average yield. The exportable surplus from the present harvest was placed at 140,000,000 bushels, which served to bring higher prices in New York during the last week of November.

Coincident with the laying of the cornerstone of the new free port of Colonia, Uruguay, there appeared an agitation for the construction and operation of a similar free port as part of the new harbor now being constructed at Buenos Aires. The Ministry of Navigation and Ports in Argentina submitted to Congress a proposition for the erection within the port area of Buenos Aires of extensive warehouses in which imports could be stored without the payment of duties, until favorable opportunity for selling them appeared.

Brazil

THE recent speech of Secretary Hoover on international monopolies elicited a response from Brazil because of his inclusion of coffee among the commodities, the price of which is being artificially maintained. Coffee constitutes 70 per cent. of

the exports of Brazil and the production of that republic is three-fourths of the world's production. Since 1906 Brazil has "valorized" coffee, i. e., maintained its price artificially through Government purchase. The task of stabilizing coffee prices was taken over in 1921 by the Institute of Permanent Defense. Before sailing for Brazil on Nov. 21, Senhor Sampaio Correa, Senator for the Federal District of Brazil, issued a statement concerning the coffee situation there. In the course of the statement Senator Correa said:

I wish to believe that Secretary Hoover has been greatly misquoted about Brazil and her coffee policies. Brazil is not seeking to raise artificially the price of coffee, as erroneously stated. Our only purpose through the so-called "Defense of Coffee" is to obtain the stabilization of our exchange, which is vital for our purchases in the United States and abroad.

The Terrestrial Magnetism Department of the Carnegie Institution recently sponsored an expedition into the Amazon region for the purpose of determining the cause of the earth's magnetism. This survey was made by John Lindsay, accompanied by Francis Gowsmith of the Explorers' Club. Extensive investigations have been made along the earth's magnetic equator in Brazil and data valuable to science have been gathered. Both investigators arrived in Buenos Aires en route to the United States.

Anxiety was felt in London for the safety of Dr. William McGovern, who set out from England on May 12 to explore the headwaters of the Amazon. Dr. McGovern, in a letter under date of Aug. 20, outlined plans for traversing unexplored regions of Western Brazil in which white men had never traveled. London friends have instructed a bank of Northern Peru to spare no expense in obtaining news of the explorer.

Peru

MR. EUGENE A. MACCORNACK, an American medical missionary, has been appointed Alcalde (Mayor) of Callao, the chief seaport of Peru. The appointment was made by President Leguia, who had been a patient in the British-American Hospital at Lima, of which Dr. MacCornack is superintendent. Dr. Mac-

Cornack will continue his direction of the hospital while holding the political appointment. Dr. MacCornack recently received the degree of Doctor of Medicine from the University of San Marcos at Lima, the leading Peruvian university and the oldest institute of learning in the Western Hemisphere. The bestowal of the medical degree on physicians from the United States is unusual. The Peruvian degree will enable the doctor and his staff to carry on the hospital work with the full sanction of the Government.

Paraguay

GEORGE L. KREEK, the American Minister to Paraguay, has received from the Paraguayan Government a notice of its acceptance of jewels and other valuables deposited with Charles Ames Washburn, the American Minister at Asunción, Paraguay, in 1870. These have been held by the American Government since that date.

At the time of the advance of the allied armies of Argentina, Brazil and Uruguay to attack Paraguay, women of Paraguay fleeing from Asunción gave over to Minister Washburn for safekeeping a sealed case said to contain jewels and other valuables. Later the case was deposited in Montevideo to the order of the American Legation. There has been no estimate of the value of the articles in the case.

Ecuador

THE Ecuadorean Legation in Washington issued a statement on Dec. 4 contradicting a report which appeared in La Prensa of New York to the effect that the Government of Ecuador had asked the United States to mediate her boundary differences with Colombia.

The statement of the legation reads:

A publication made on Dec. 2 in La Prensa of New York states that Ecuador has asked the mediation of the United States to settle the differences between Ecuador and Colombia, raised on account of Colombia having ratified the boundary treaty entered into with Peru.

That declaration is not in accordance with facts. The only thing that Ecuador did, before the ratification of that treaty took place, was to inform the Government of the United States about the

difficult position in which Ecuador would be left if the final approval of that treaty were accomplished, as has happened.

Ecuador took this step because the United States had already intervened to facilitate the ratification of that treaty, lending its good offices to Brazil, Peru and Colombia, mediation which resulted in the signing of the agreement of March 4, 1925.

Chile

RETURNS from the general elections held in Chile on Sunday, Nov. 22, showed that the new national Congress would be little changed from the last one. The Democratic Party lost two seats in the Senate and five in the Chamber of Deputies. The Radical Party secured fifteen seats in the Senate and forty-one in the Chamber. The Conservative Party showed the next largest strength.

The Banco Español de Chile (Spanish Bank of Chile), one of the most important financial institutions of the country, closed its doors Dec. 1. A statement issued by the bank declared that the suspension of payment was only temporary, as the condition of the bank was being studied in accordance with the new banking law drawn up by Professor E. W. Kemmerer of Princeton University, who recently reorganized the financial system of Chile. The Spanish Bank of Chile has a number of branches throughout the republic.

The foreign trade of Chile during 1924 amounted to 964,719,649 gold pesos (value \$0.365), according to statistics recently made available by the customs houses. This is the largest foreign trade for any year since 1920, being 11.3 per cent. greater than in 1923.

[THE BRITISH EMPIRE]

British Communists Jailed for Sedition

Death of Queen Alexandra—Steps Toward Protective Tariff—Irish Boundary Settlement—Canada's Political Impasse—The Australian Labor Defeat—Swarajists' Failure in India

By RALSTON HAYDEN

Associate Professor of Political Science, University of Michigan

QUEEN ALEXANDRA, widow of King Edward VII and mother of King George V of England, died at Sandringham on Nov. 20 in her eighty-first year. The news of her passing was received throughout Great Britain and the Empire with spontaneous expressions of grief which gave eloquent testimony to the place which she held in the hearts of British subjects, and to the national esteem for the house of Windsor and the institution of royalty.

The outstanding political event of the month was the ratification and signing of the Locarno treaties. Approval to British ratification was given by the House of Commons on Nov. 19 by a vote of 375 to 13. The dissenting votes were cast by eleven Left Wing Labor members, one

Communist and one Liberal. David Lloyd George and Ramsay MacDonald, leaders of the Liberal and the Labor parties respectively, acclaimed the spirit of the pacts and recognized the service rendered in their negotiation by the Foreign Secretary, Sir Austen Chamberlain, as he is now known. Both expressed regret that the British Dominions had not been represented at Locarno or consulted during the negotiations. Sir Austen replied that distance and other circumstances made either representation or consultation a practical impossibility. He added that the Dominions might now ratify the agreements if they wished, and that the matter of imperial representation in such negotiations would be considered at the next Imperial Conference. In recognition of their services



Rudyard Kipling

in bringing together the nations concerned in the Locarno treaties, the King created Austen Chamberlain a Knight of the Garter and his wife a Dame of the Grand Cross of the Order of the British Empire.

Parliament reassembled for the Autumn session on Nov. 19. Among the important matters to be considered was the supplementary finance bill imposing customs duties recommended by the committees which have been hearing the representations of industries that claim to be injured by "unfair" foreign competition. Both the Liberals and the Labor members vigorously opposed the levying of any duties, contending that the Conservative Government was simply seeking to set up a protective tariff which it was under political agreement not to do. An amendment to reject the measure, which is known as the Safeguarding of Industries bill, moved by the Labor Party, was defeated on Dec. 9 by 308 votes to 142. The Commons also had to consider a consolidated fund bill which was needed to enable the Government to pay the coal subsidy after £10,000,000 already appropriated for this purpose shall have been exhausted.

A Labor vote of censure upon the Government for its prosecution of twelve British Communists for incitement to sedition and other crimes of similar nature was defeated on Dec. 1 by 322 votes to 133. Ramsay MacDonald, in leading the attack, declared that his object was to defend liberty of opinion, not communism, to the ideas of which he and his party were unalterably opposed. He declared that the accusations of payment from Russia, incitement to mutiny and sedition were not sustained, that the trial "had been conducted like a general election," with improper participation all the way through by Sir William Joynson Hicks, the Home Secretary. Government spokesmen rejoined to the effect that the Communists had broken the law of the land and had been prosecuted just as any one else would have been. Of

the twelve who were convicted on Nov. 25 seven were sentenced to six months' and five to one year's imprisonment in the second division (without hard labor). In addition to criticizing the Government for alleged persecution of Communists, Labor members accused it of interfering with the course of justice to protect from serious prosecution four "Fascist" youths who were arrested for interfering with the delivery of *The Daily Herald*, the official Labor newspaper.

A question in the House of Commons on Nov. 19 elicited from the Home Secretary the information that the Government has a well-developed organization for maintaining essential national services in case of a general strike. Sir William Joynson Hicks declared that such an organization had been in existence for a number of years, including the time when the Labor Party was in power. He also indicated that in time of emergency the Government would not hesitate to accept the assistance of private bodies such as the "Organization for the Maintenance of Supplies" recently formed under the leadership of Lord Hardinge, Lord Jellicoe and others.

A great meeting of practically all of the temperance societies of England and Wales was held at Hoddeston, Herts, on Nov. 25, for the purpose of uniting on a national temperance campaign. Subject to confirmation by the individual organizations, a general understanding was reached that a local option bill would be drafted and pushed by all of the temperance forces of the country.

The Conservative candidate won the Gallo way by-election on Nov. 18 with a vote of 10,846 against 9,918 and 4,207 respectively for his Liberal and Labor opponents. The result was regarded as an important Conservative victory.

The National Wages Board for Railways, which had been considering the dispute between the companies and their employes, on Dec. 9 announced its decision upholding the claims of the companies and rejecting those of the trade unions. Among the members of the board are prominent trade union leaders, including J. H. Thomas.

Ireland

SETTLEMENT of the Irish boundary question was at last reached when an agreement was signed in London on Dec. 3 by representatives of Northern Ireland, the Irish Free State and Great Britain. The agreement amends and supplements the Anglo-Irish treaty of 1920.

Article I provides that the power to re-determine the boundary between Northern Ireland and the Free State conferred upon a boundary commission by the proviso to Article XII of the treaty of 1920 is revoked and that the territory of Northern Ireland shall remain as fixed by the treaty. Article II releases the Saorstat (Free State) from its liability under the treaty to pay a part of the British war debt and war pensions. Article III transfers from the British to the Free State Government the liability for compensation for malicious damage to property in Free State territory caused by public disorders since Jan. 21, 1919, and binds the Free State to reimburse Great Britain for such moneys as the latter has paid or agreed to pay on that account. Article IV provides that the Free State shall increase by 10 per cent. the compensation for malicious damage to property within the Free State between July 11, 1921, and May 12, 1923, and shall issue 5 per cent. compensation stock or bonds for this purpose. Article V abolishes the Council of Ireland provided by the treaty and provides in its stead that the Governments of the Irish Free State and of Northern Ireland shall meet together when necessary for the purpose of considering matters of common interest.

The most important provisions in the agreement are those by which the Free State abandoned its right to have the Ulster boundary redrawn by the commission provided for in the treaty, in return for its release by Great Britain from liability for any part of the British war debt.

The new agreement was ratified by the British House of Commons on Dec. 8, by the British House of Lords and both chambers of the Parliament of Northern Ireland on Dec. 9, and by the Dail Eireann on Dec. 10.

The Free State's liability for British war debts was estimated by Great Britain to amount to some £60,000,000, but the Irish Government, which placed the amount at about one-third of that sum, had not agreed to any definite figure and had not paid a penny toward either interest or capital. It may, then, be permissible to say that



Map of Ireland, showing the respective territories of the Irish Free State and Northern Ireland

in this exchange the Free State relinquished a worthless treaty privilege while Britain wrote off a bad debt.

To Ulster the agreement was almost pure gain. In England the settlement was received with general approval because it was regarded as terminating a serious crisis.

Official statistics published on Nov. 14 aroused increased anxiety over the continuing decline in Free State exports and the increase in the adverse trade balance. During the first eight months of 1925 there was an adverse balance of £14,250,000, as against £12,750,000 for the corresponding period during 1924. The value of the exports of cattle, sheep, pigs and poultry had fallen from £12,000,000 to £8,000,000, butter by £500,000 and bacon by £1,500,000. Against the decrease of nearly £5,000,000 in exports to Great Britain the report indicated a gain of £130,000 in exports to other countries. British figures over the same period indicate the Free State's loss in the British market had meant a gain for the other Dominions, especially New Zealand, Australia and Canada.

Canada

PRIME MINISTER W. L. M. KING announced on Nov. 30 that the Canadian Parliament would meet on Jan. 7, 1926. This decision was reached at a meeting of the Liberal Cabinet and received the approval of the Governor General. The Prime Minister again declared that he would not make other than necessary appointments or transact other than necessary business pending the decision of the new House of Commons as to who is to conduct the Government. Mr. King himself and four members of his Cabinet were still without seats in the Legislature at present. It was estimated that in the new House the Liberals would have 101 seats, the Conservatives 117, the Progressives 24, Labor 2, and Independents 1.

It was announced on Dec. 4 that the agreement of 1922 between the United States and Canada regarding the entry of United States pilots and aircraft into Canada by air had been extended to April 30, 1926. The arrangement provides that American airplanes shall obtain certifi-

cates of airworthiness before undertaking Canadian flights, and that their pilots shall possess graduation or discharge certificates from the United States Air Service. No commercial operations of any nature are permitted within Canada by United States machines, but they may carry goods and passengers from a point in the United States to a point in Canada and vice versa.

The Dominion Bureau of Statistics issued a statement on Nov. 11 showing that the total yield of wheat for 1925 was the second largest in the history of Canada. About 423,000,000 bushels were harvested, as compared with about 474,000,000 in the record year, 1923. The estimated total yield of oats was about 522,000,000 bushels, which has only twice been equaled, while the barley crop, 133,000,000 bushels, was the largest ever harvested.

A statement recently issued by the Department of Immigration and Colonization showed that during the first six months of the present fiscal year, from April to September, 1925, immigrants totaled 57,086, of whom 25,072 were from Great Britain and Ireland, 11,199 from the United States, and 20,815 from other countries.

Herbert H. Greenfield, Premier of Alberta, resigned on Nov. 23 and was succeeded by John E. Brownlee, the Attorney General.

Australia

THE Australian election of Nov. 14 resulted in a victory for the Nationalists, led by Prime Minister Bruce, over both the Country Party, with which they had formed a coalition, and the Labor Party. According to the latest returns, on Nov. 26, the state of parties in the new House of Representatives would be: Nationalists, 38; Labor, 23; Country Party, 14. It was also certain that the Government would have a majority in the new Senate. The defeat of the Labor Party at a time when the Governments of five out of the six States of the Commonwealth were being carried on by Labor Cabinets, was interpreted by all of the Australian newspapers, except the Labor press, as a national protest against foreign Communistic influences in Australian affairs and as a mandate to the Labor Party to purge itself of such control. One of the notable features of the election was

the failure of E. G. Theodore, former Labor Premier of Queensland, to win a seat. Immediately after the election the Brisbane Trades and Labor Council called upon the union leaders to convene a congress to overhaul the workers' organizations, and the press generally indicated that constitutional labor would now make a serious effort to regain control of the unions and the party and recover public confidence. Although it is too early to ascertain the full effect of the new compulsory voting law upon the election, it is evident that an unusually large vote, about 90 per cent. of the total, was polled. The results would also seem to indicate that the new law tended to bring out the anti-Labor vote, which was what the anti-Labor parties expected it to do.

Although the campaign which Prime Minister Bruce waged made the question of responsible and orderly government the outstanding issue in the election, the Nationalist platform contained other planks of great importance. Among these proposals were legislation for national insurance, for secret ballots in unions before strikes can be called, for the national subsidization of road construction, and for the addition by the Government of £20,000,000 to the ordinary resources of the Commonwealth Bank to be used in making advances to home builders.

The retirement of Sir Matthew Nathan upon the expiration of his term as Governor of Queensland again directed public attention to the request of the five States having Labor Governments that Australian State Governors should in future be Australians appointed upon the recommendation of the State Governments.

The seaman's strike, which began Aug. 22 and which precipitated the election of Nov. 14, was officially ended on Nov. 29. The strikers accepted most of the owners' terms, which included a reduction in wages. On Nov. 20, Tom Walsh, President, and Jacob Joanneson, Secretary, of the Australian Seamen's Union, were arrested and held for deportation following a finding of the board appointed under the deportation act by the Commonwealth Government.

Prime Minister Bruce announced on Dec. 3 the removal of the ban against im-

migration from Germany, Austria-Hungary, Bulgaria and Turkey, former enemy countries.

New Zealand

PRIME MINISTER J. G. COATES announced to the press that the Locarno pact had not been signed at London by the New Zealand High Commissioner at the British capital because the New Zealand Parliament had not yet ratified the agreement. Mr. Coates declared that his Government favored ratification but could not sign without parliamentary consent.

Announcement was made that the New Zealand Government had raised from 25 to 50 per cent. the proportion of British material which must be incorporated into goods of British manufacture in order to entitle them to enter the Dominion under the British preferential tariff. Mr. Coates stated that the action was to encourage the importation of genuine British goods and to give Great Britain the full benefit of the preference.

South Africa

SOCIALISTS in South Africa regarded the appointment of Walter Madeley as Minister of Posts and Telegraphs in the Hertzog Cabinet as a distinct triumph for the Labor Left Wing. He was selected on Nov. 11 to fill the newly created eleventh place in the Union Cabinet, which now consists of eight Nationalists and three Labor members.

The native problem continued to be the outstanding political question of the Union. Speaking to his constituents at Smithfield on Nov. 13, General Hertzog, the Prime Minister, outlined his proposed course of action in this matter. He declared:

I am drafting not one but a set of bills; one on administration, another on native land supplementary to the act of 1913, a third dealing with squatting, a fourth instituting a native General Council, and a fifth dealing with the franchise, or rather, with the representation of native interests in the Union Parliament. These bills are now being drafted, and, as soon as they are ready, it is my intention to call together people who can judge upon these matters—representative people, farmers, theoretical men who have studied the native question, and representatives of the natives

themselves, and discuss with them the different proposals and obtain any advice they may be prepared to offer. When this has been done, and I have put the bills in a more final form, I hope to discuss with General Smuts and the Opposition what I intend laying before Parliament. The bills will then be laid on the table of the House and gazetted, so that the public may study and criticize them. Finally, it is hoped to pass them through Parliament in the session of 1927.

India

DISSENSION over the question of co-operation in the Governments of India, provincial and national, continued to divide the Swarajist Party. The Executive Council, meeting at Nagpur early in November, rejected a resolution that the party should reverse its previous practice and allow its members to accept official positions. This decision seemed to have been accepted by the majority of the prominent Swarajists, although two members of the council resigned on account of it. Meanwhile Mahatma Gandhi undertook another of his fasts, this time in protest against the continuation of British policy in India. On Nov. 29 he was reported to be so weak as to be unable to speak.



E. F. L. Wood, the new Viceroy of India

At Sholapur a Hindu-Moslem riot which occurred upon the occasion of a great Hindu religious procession necessitated firing by the police and ended in several casualties. In the Punjab growing tension between two Moslem groups, one supporting the cause of King Ali of the Hedjaz and the other that of his opponent, Ibn Saud, the Wahabi leader, resulted in an order from the district magistrate forbidding all meetings in public places for two months. In the Fyzabad district the police arrested more than seventy persons suspected of being members of a powerful gang of Dacoits who have been responsible for almost 100 acts of brigandage in the neighborhood.

The provincial elections in Burma resulted in an almost complete defeat for the Swarajist Party. The latest returns showed the state of parties as follows: Independents, 34; Nationalists, 28; Swarajists, 10. Burma, it will be recalled, is governed under the essential provisions of the Government of India act, 1919, which was applied to it in 1922. The electorate consists of some 2,500,000 persons out of a population of about 13,200,000, women as well as men having the vote.

No Swarajist was returned in the Council of State elections for the United Provinces. The only avowed Swarajist candidate was a Mohammedan member of the late council, who was defeated. Another candidate receiving Swarajist support in a three-cornered contest was at the bottom of the poll.

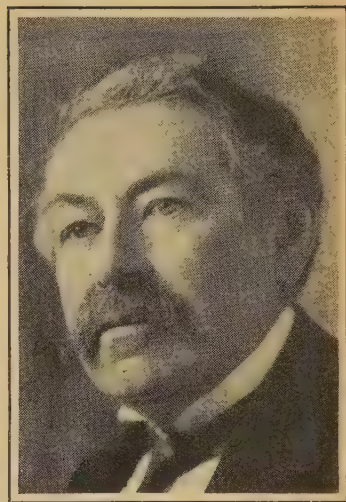


[FRANCE AND BELGIUM]

Briand Again Premier At Head of New French Cabinet

*Cabinet Crisis Ended After Anxious Period
—New Government's Financial and
Political Problems—Provincial
Elections in Belgium*

By WILLIAM STEARNS DAVIS
Professor of History, University of Minnesota



ARISTIDE BRIAND
Premier and Foreign Minister at
the head of the new French Cabinet

ADMINISTRATIVE changes continued to hold the attention of the French nation during the month under review. As the sequel to a Cabinet crisis of more than ordinary severity, M. Painlevé resigned as Prime Minister on Nov. 22 and on Nov. 27 Aristide Briand assumed the Premiership of France for the eighth time. The announcement by M. Briand that he had succeeded in organizing a Government of Moderates inspired a general sense of relief, as the crisis had been particularly acute due to the pressing financial and political problems which faced the country. Two points of political significance stood out among the events of the month—the "Left bloc" in the Chamber, which had been in power since the downfall of the Poincaré Ministry, was shattered, and observers saw the new Briand Cabinet as representing a certain swing to conservatism.

The fall of the Painlevé Ministry was preceded by a prolonged discussion of M. Painlevé's finance bill in the Chamber. The bill, with its proposals for extremely drastic taxation to meet the torrent of maturing claims upon the Treasury, came before the Chamber on Nov. 17. At first the debate was rather perfunctory, although

the steady fall of the exchange value of the franc and the increasing pressure for a special law to permit a new inflation of the currency created a feeling of extreme tension in all public circles. It became evident on Nov. 21, however, that the proposal of the Government to "defer" paying some 3,000,000,000 francs of obligations which fell due on Dec. 8 was producing a most unfortunate effect upon all classes of bondholders, with corresponding attacks upon the Painlevé Ministry. On the other hand, the Government, though it had practically surrendered to the demand of the Socialist groups for a modified form of a "capital levy," seemed absolutely unable to agree to the further Socialist requirement that a pledge be given by the Ministry not to go beyond the 1,500,000,000 franc inflation mentioned in the new tax bill.

The result was that on Nov. 22 the Painlevé Ministry, "compromised by its too ready acceptance of schemes not its own," went down in defeat in the Chamber while trying to put through its great project for the amortization of the floating debt. The Premier struggled desperately to the end, refusing to accept defeat and contending that his measures were the best calculated

to save the financial situation. When M. Bokanowski, the chief financial spokesman for the Right parties, denounced the "blackjacking of public credit" and demanded more "expert consideration of the bill," M. Painlevé replied: "I have consulted experts of every school and have received not only the most contradictory but the most violently opposite advice from them!" At last, amid the hot debate, there flew charges that the Government had been juggling with the times for exchanging Treasury bonds in a manner highly profitable to certain bankers. The accusation was energetically denied, but it provoked the Communist group, hitherto non-voting on the bill, to vote directly against the Government. After a tense division an essential article in the bill was defeated 278 to 275. The Cabinet immediately walked out of the Chamber to prepare its resignations, while the air was rent by joyous howls from the incongruous alliance of the Nationalists and the Communists.

The fiscal and political situation called urgently for a "strong Government" to be formed immediately, but such a Ministry was not to be had for the asking. President Doumergue faced the task of finding a Premier who could command some kind of a majority among the ill-disciplined groups in the Chamber, who could secure the support of the conservative Senate for his financial measures, who could persuade the French people to submit to extraordinarily drastic taxation or to a levy on capital, and who could also pursue a policy of constructive peace abroad, thus continuing the good work started at Locarno and serving to convince foreign capital that French economic conditions were sound.

Under these circumstances the President upon Nov. 23 requested M. Briand, who had been Premier for seven times, to form a Cabinet. M. Briand agreed to survey the situation, but was confronted by the fact that the "Left bloc" in the Chamber, which was very anxious to continue in power, was absolutely dependent upon the Socialist group for its majority and that the Socialists demanded extremely high terms for supporting any new Government. On the other hand, no combination including the "Right" (Nationalist-Conservative) groups

appeared possible. M. Briand therefore gave up his efforts and bestowed his best wishes upon Senator Paul Doumer, who then attempted to form a Cabinet with the support of the Radical bloc. M. Doumer, however, faced the same impossible conditions. The Socialists required as the price of support several of the most important Cabinet offices and the other Radical groups were very unwilling to break with the Socialists; the issue, therefore, was virtually whether the Government should be turned over to the Socialists, a step which, it was declared in many quarters, would jeopardize the whole economic safety of France.

It was alleged that the Socialists were deliberately trying to create a situation wherein they, although a minority group in the Chamber, would be asked to form an entire Ministry; and leading statesmen were reported as saying that it might be needful to do this for a few weeks in order to demonstrate to the public the inability of the Socialists to govern the Republic. President Doumergue, however, hesitated to face the risks such a policy seemed to involve, and upon Nov. 26 he appealed to ex-Premier Herriot to form a Cabinet. The latter was not unwilling, but was thwarted when the Socialists refused "to participate in any Government [by accepting Cabinet offices] in which they did not have the controlling vote." M. Herriot gave up the attempt in despair, and President Doumergue turned again to the veteran M. Briand. This time a new spirit prevailed in many quarters. The financial uncertainty and the willingness of many group leaders to play for cheap political stakes at a time when the interests of France required a strong Government, gave rise to rumors that a revolutionary coup, headed by some vigorous French Mussolini, might be needful. The one comfort was that the nation at large was highly prosperous and that no strong elements were clamoring for an overturn; the crisis was purely fiscal and political.

It was reported on Nov. 26 that M. Briand had again conferred with the President, and that the former seemed likely now to be able to form a Ministry largely from his own Centre group in the Chamber. The Socialists overplayed their hand disas-

trously, and the Left Bloc was smashed. After working from 8 A. M. until nearly midnight on Nov. 27, M. Briand announced that he had formed a Cabinet of Moderates. He retained for himself the Foreign Office as well as the Premiership, but he had persuaded M. Painlevé, the retiring Prime Minister, to accept the portfolio of Minister of War; as Minister of Finance M. Briand obtained M. Loucheur, who is a wealthy industrialist and therefore in an excellent position to demand that the great capitalists share in extreme financial sacrifices.

The new Cabinet list was as follows:

ARISTIDE BRIAND—Premiership and Foreign Affairs.

RENE RENOULT—Justice.

CAMILLE CHAUTEUPS—Interior.

LOUIS LOUCHEUR—Finance.

PAUL PAINLEVÉ—War.

GEORGES LEYGUES—Marine.

EDOUARD DALADIER—Education.

ANATOLE DE MONZIE—Public Works.

DANIEL VINCENT—Commerce.

JEAN DURAND—Agriculture.

ANTOINE DURAFOUR—Labor.

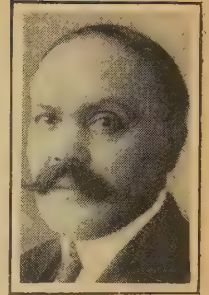
PAUL JOURDAIN—Pensions.

LEON PERRIER—Colonies.

It was agreed on all sides that M. Briand faced an extremely difficult task. In the Chamber he had to depend not on a solid party but a number of jangling and ill-assorted "groups"; he had to face the constant attacks of the Socialists, who were infuriated at their own failure to grasp the Government, and he had the unenviable duty of balancing the budget and finding some escape from the dilemma of either inflating the currency or in substance repudiating much of the public debt. In addition the Premier had to consolidate the new friendly relations established with Germany and to make another attempt to fund the war debt to the United States. In view of such problems it was predicted that the tenure of the new Cabinet would be brief; on the other hand, the difficulties ahead of any other Ministry would be so great that M. Briand's opponents were likely to hesitate before forcing a change.

It was announced on Nov. 30 that Finance Minister Loucheur intended to finance the sinking fund and extinguish

the short-term debts, which were the immediate cause of fiscal embarrassment, by a 10 per cent. levy upon capital, somewhat according to M. Painlevé's old plan, but payable in thirty annuities instead of fifteen, as under the former project. The immediate task of the Government, how-



M. Loucheur, Finance Minister in the Briand Cabinet, who resigned on Dec. 15.

ever, was to enact an emergency bill authorizing the issue of 7,500,000,000 francs more banknotes to enable the Treasury to meet maturing obligations. It was argued that this was not "inflation," since such a move, though serving to swell the currency, would also diminish the national debt. Nevertheless, the opposition in the Chamber was very bitter, and M. Briand had to rise to all the heights of his famous eloquence to combat the hostile orators. On the critical issue the Government was at last sustained by 245 votes to 239. The Premier declared that he was sorry the majority was so small, but that in such a crisis "six majority is five too many, for this Government has not the right even with one to desert its post." The Senate on Dec. 4 supported the Ministry by confirming the emergency currency bill; the vote was 196 to 59.

M. Loucheur, Minister of Finance, on Dec. 8 presented to the Chamber of Deputies the first two parts of his finance reform measure. The bill provided the collection of 4,000,000,000 francs in additional taxation and for the creation of a sinking fund as approved in principle by the Chamber during the Painlevé Administration.

Three new members were elected on Nov. 19 to the "Immortals" of the French Academy. Of the three, the best known is perhaps M. Paul Valéry, the philosopher, poet and critic, who became the direct successor to the chair of Anatole France. M. Valéry was born at Cette in 1871, and won his first distinction with his "Introduction to the Method of Leonardo da Vinci." The critical and literary

works which followed this have placed him among the foremost of French writers. With him was chosen the Duke de la Force, a member of one of the oldest French families, who is the author of many historical works. The third new Academician was the classical scholar and critic, M. Louis Bertrand, author of novels, critical works and of a remarkable historical work upon St. Augustine.

Paul Brulat, noted novelist and biographer of Emile Zola, died Nov. 25. Paul Dutasta, eminent diplomatist, died on Dec. 2, aged 52. M. Dutasta had served in Siam, in Tunis, in Poland and in the Paris Foreign Office. During the World War he rendered marked service as Minister to Switzerland, and, in 1919, as Secretary General of the Paris Peace Conference, he had a prominent part in arranging all the details of the various gatherings, particularly that at which the preliminary treaty was signed.

Belgium

PROVINCIAL elections were held throughout Belgium on Nov. 8. In two provinces there was sufficient overturn to necessitate a change in the provincial administrations. In Liège Province the Socialists lost their clear majority, and the Catholics suffered a like fate in Namur Province. Compared with the elections to the Chamber of Deputies last April, the Liberals gained about 46,000 votes throughout the country and the Catholics about 55,000; on the other hand, the Socialists lost about 57,000 votes and the little Communist Party nearly 6,000.

As evidence that Belgium was preparing herself for a long period of peace with her neighbors, General Kestens, Minister of National Defense, brought forward a plan for the reduction of the Belgian Army.

The funding of the Belgian war debt to America was followed by active negotiations in New York for a credit of \$150,000,000 for the stabilization of the national currency. It was stated by the Cabinet on Nov. 23 that, to create a desirable condition in the American money market, the Belgian budget for 1926 would have to be cut some 150,000,000 francs (approximately \$7,500,000 at current exchange).

When this report spread, a bitter controversy developed in political circles and in the Brussels newspapers. Former Finance Minister Jaspar, at a meeting of the Finance Committee of the Deputies, inquired whether the Government, after announcing that no further reductions in the budget were possible, was not now yielding under foreign dictation. If that was the fact, there was no escaping "the conclusion that Belgium was in the grip of American and British financiers, who were dictating their conditions, and that the Belgian Parliament was no longer in control of the situation."

M. Vandervelde, speaking for the Cabinet, admitted that such was largely the case. "The Government had its choice either to obtain a loan or give up the stabilization of the Belgian franc." The Ministers were of the opinion that despite the unpopularity of the proposed economies, "it was better to submit to the foreign capitalists and obtain the stabilization of the currency." This confession was followed upon Nov. 28 by a general outburst in even the conservative press against "the state of vassalage and servitude" in which the country had been placed to foreign capital. The influential Brussels paper, *Le Soir*, however, came out on Nov. 30 with a severe arraignment of the "short-sighted, petty politicians who place party politics before the country's welfare." The paper added that it would be a blessed thing if "America were to take Belgium under its financial suzerainty, provided American bankers could force the Belgian Ministers to lop off 150,000,000 francs from the budget." The paper expressed the hope that foreign influence would compel further much desired economies; the article concluded: "America! You are a good suzerain. Keep it up." M. Jansen, Belgian Minister of Finance, issued a statement on Dec. 10, emphatically denying that the nation had forfeited its sovereignty in the negotiations with the American bankers.

In New York it was also denied that any intervention had taken place in Belgian affairs, except that influential bankers had declared the budget must be carefully balanced before another loan could be floated to advantage.

German Reaction to Locarno Pacts Defeated

Ratification Follows Bitter Opposition to Security Pacts—Cabinet Crisis Weathered by President von Hindenburg—Royal Claims Rouse Storm in Germany—Vienna Reduces Municipal Taxes

By HARRY J. CARMAN

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THE ratification of the Locarno treaties and the question of Germany's entry into the League of Nations overshadowed all other matters confronting the Reichstag, which reassembled on Nov. 20 after a three months' vacation. Debate on these epoch-making measures was opened on Nov. 23 when Chancellor Luther, in a speech characterized by an absence of oratorical flights, discussed both measures and stressed the advantages which Germany would gain by accepting them. Though frankly admitting that the treaties did not at once do away with all the "illegalities and irregularities," he expressed the opinion that these would gradually disappear as soon as the treaties were ratified and in operation. The Reich's entry into the League of Nations, he went on to say, offered the only effective means for the achievement of universal disarmament and the permanent preservation of world peace. "Participation in the League," he declared, "opens possibilities that are more valuable than that kind of independence which in reality is nothing but isolation and passivity." During the course of his speech the Chancellor was hissed from time to time by both Nationalist and Communist Deputies. The irreconcilable Nationalists strained every nerve in an effort to prevent, or at least postpone, ratification. At a party conference held in Berlin during the week of Nov. 16, and attended by approximately 2,000 representatives from all parts of the country, resolutions were adopted condemning the Locarno agreement on the ground that it (1) failed to take into account Germany's "vital interests"; (2) did not exclude the renunciation of German soil, and (3) did

not afford the Germans sufficient guarantees against sanctions and the danger of invasion. In conclusion, the resolutions called upon the party to "wage a ruthless fight against the Locarno Treaty and against the serious danger for Germany's freedom and future." A few days later the reactionary press published a bitter attack, penned by General Ludendorff, leader of the Ultra-Nationalists, in which he assailed President von Hindenburg for supporting the Locarno pact:

Once I divided honor and glory with Field Marshal von Hindenburg and—I dare proclaim it to all aloud—heightened his glory. Today my German heart aches when I see how the Field Marshal is sacrificing that glory—and it is sacrificed, indeed, if his name stands under the document of shame and dishonor (the Locarno compact). Better to surrender one's position than glory, honor and one's own great past. That is the German way, and even more German would it appear for the Field Marshal to have given battle against this treaty of dishonor and enslavement. If the President really regards the Locarno policy as right, then must every German who is not soaked with black-red gold, or sold to Mammon, veil his head. Then the Field Marshal President has become a danger for the national will. His name does not belong under this treaty. That, at least, does he owe to his fellow warriors. We expect the Field Marshal not to sign, but to fight.

Despite the Nationalist opposition, and even before the debate began, the Government had three reasons for believing that both measures would secure the approval of the Reichstag. In the first place, both were approved by the Reichsrat or Federal Council on Nov. 21 by an overwhelming majority, only the representatives of East Prussia, Pomerania, Lower Silesia and Mecklenburg, the most Nationalistic



Map of Germany

of the German provinces, voting against them. Secondly, 300 of the leading industrialists of all parties, including influential Nationalists, issued a manifesto declaring that the signing of the Locarno treaties was necessary for the revival of German economic life. The manifesto bore the signatures of Berlin, Hamburg, Frankfurt and Cologne bankers, leaders of the Ruhr coal and steel industries, chemical and dye interests, prominent shippers, as well as academicians and leading scientists. In the third place, the Socialists, abandoning their plan of insisting upon dissolution of the Reichstag and a general election, had assured the Chancellor that they would support both measures. The final vote for ratification showed that the People's Party, the Catholic Centre, the Bavarian People's Party and the Socialists, plus the industrial Nationalists, had proved too strong for the combined forces of the Extremists. The formal signing of the treaties in London on

Dec. 1 completed this momentous chapter of post-war international history.

The mass of the German people were jubilant over the acceptance of the treaties. Chancellor Luther and Foreign Minister Stresemann were hailed as triumphant liberators of the Fatherland by all the Republican faction and by the bulk of the nation's press. Only the Nationalists appeared downcast. At first they planned to ask the German judiciary to invalidate the ratification on the ground that the treaties amended the Constitution and, therefore, could not be passed by a simple majority in the Reichstag. But the conciliatory attitude of the Allies, Belgium's decision to reduce her forces of occupation by two-thirds, the strong possibility that the restrictions on the Reich's manufacture of materials for air traffic would be lifted, the acceleration of the Cologne evacuation, rumors that another international conference would be held in the near future.

which might terminate entirely allied control over Germany's armaments and shorten the occupational periods in the Coblenz and Mayence zones—all these tended to dampen the ardor of the advocates of this scheme. Moreover, the Nationalists realized that any such action on their part would be tantamount to impeaching President von Hindenburg, for to describe the treaties as illegal would be to accuse him of putting his signature to an illegal document. It was expected that entry into the League would be consummated not later than March, 1926.

Socialist support for the security pacts was obtained in part on the promise that as soon as the treaties were ratified and signed the Cabinet would resign. True to his word, Chancellor Luther tendered the resignation of himself and his associates on Dec. 5. Subsequently it was announced that, according to custom, the resigning Ministry would continue to conduct the nation's business until its successor was named. President von Hindenburg faced his first Ministerial crisis calmly and let it be known that he would take his time in getting a Cabinet acceptable to himself and the Reichstag. It was understood that the President wanted Dr. Luther to head a coalition Government composed of the People's Party, the faction of Foreign Minister Stresemann and the big industrialists, the Catholic Centre, the Democrats and Socialists. The delay in forming a Ministry from these parties was occasioned by the Socialists, who wanted unemployment doles raised 50 per cent. and who also wanted the question of the financial claims of the Hohenzollerns and other German dynasties submitted to a popular referendum. Both the increased dole and the referendum had been opposed by the other parties. Spokesmen for the bourgeois groups unanimously agreed to approve an increase of 30 per cent., which they were convinced was the utmost the Federal Treasury could bear. The Socialist representatives, however, declared that this increase was not enough.

One of the first effects of the peace of Locarno was the allied evacuation of the North Rhineland zone. The British withdrew almost without being noticed. The departing soldiers took with them 800 Ger-

man brides. Simultaneously with the British evacuation of Cologne the historic university town of Bonn was gradually evacuated by the French and the thriving city of Krefeld and its surrounding country was being freed of Belgian troops.

A second result brought about by the Locarno pacts was the cessation of the Allies' civil administration carried on under the Rhineland High Commission, whose power over the population of the Rhineland area was far-reaching and drastic. Allied functionaries were reduced in number by 80 per cent.

The question of royal claims for indemnities raised a storm throughout Germany. These claims of the Hohenzollerns and the other deposed rulers, putting a conservative valuation on the landed estates, castles, museums, works of art and other contested properties, totaled more than \$500,000,000. The former royal families demanded 100 per cent. revalorization, claiming it was the fault of the Government, which had been taken out of their hands, that money had depreciated. Large numbers of Germans, on the other hand, particularly the Radicals, maintained that since these fortunes were confiscated legally by the Government, following the overthrow of the monarchy and the institution of the republic, and were public property in most cases, no remuneration should be made. In the midst of the controversy it was announced on Nov. 30 that the Hohenzollerns, forty members of which family had filed claims, were willing to conclude a settlement with Prussia for \$7,000,000 in cash and undisputed title to 250,000 acres of land in addition to a number of castles, hunting lodges, valuable works of art and furniture. The claims of this family alone amount to more than \$50,000,000 in Prussia, to say nothing of their claims in each of the other States. This announcement was immediately followed by the introduction in the Reichstag of two proposals, one by the Democrats empowering the Diet of each State to make settlement with each of the ex-rulers on the basis of 12½ per cent. of valuation; the other by the Communists to confiscate these estates without any compensation whatsoever.

The report of the Finance Minister, is-

sued on Dec. 6, showed that the budget for the fiscal year 1924-25 had a surplus on the ordinary general administration budget of 759,000,000 marks; on the combined ordinary and extraordinary budgets, 892,000,000 marks. In addition to this, the Treasury possessed a free balance of 282,000,000 marks. In the ordinary budget expenditure, which aggregated 1,001,000,000 marks, 938,000,000 marks were contributed by the general administration budget, which also contributed toward the peace treaty extraordinary budget of expenditure 783,000,000 marks. There were also allowed 473,000,000 marks out of the Dawes reparation loans, this 473,000,000 representing the final deficit on the general administration and peace treaty budgets. That Germany was still largely dependent on foreign countries for long-term credit was evident from the fact that during the first eleven months of 1925 only 144,000,000 marks were raised through home bond issues, whereas 982,000,000 were borrowed from abroad. The Reichsbank's return for Nov. 30 was considered as relatively favorable if the influence of the month-end settlement was allowed for. This view was held notwithstanding the week's large increase of 347,000,000 marks in the note circulation and the increase of 270,000,000 in discounts.

It was announced on Dec. 7 that official opposition on the part of the Prussian Government to American participation in the Upper Silesian zinc mining industry, as provided in the deal negotiated by the Harriman and Anaconda interests with the George von Giesche heirs, had yielded sufficiently to conciliatory negotiations to indicate that an amicable settlement of the controversy would soon be reached.

Bankruptcy proceedings were instituted against the Aga automobile concern, one of the chief holdings of the Hugo Stinnes estate, on Nov. 23 by the court which has been exercising a limited receivership since Dr. Edmund Stinnes failed to obtain the necessary credits to continue operations. It was announced, however, that the Aga factory would continue to operate at half time until the creditors decide on a further course of action. Estimates of the liabilities and assets were not given.

The month under review showed a rapid

increase in bankruptcies and in unemployment. The increase in unemployment (there were 471,353 unemployed on Nov. 15) was ascribed largely to seasonal causes such as the Winter suspension of building operations.

Although its population has increased by 275,000 since 1919, Berlin has had a declining birth rate. In the past seven years vital statistics show there were 9,921 more deaths than births within the city limits.

A Hitlerite riot in Berlin on Nov. 26 resulted in the wounding of a number of persons and in nineteen arrests. The plate-glass windows in the offices of the Socialist paper *Vorwärts* were smashed.

Austria

A SUBSTANTIAL surplus for the current year, 1925, enabled the Socialist Government of Vienna to announce on Nov. 18 a long-desired reduction in municipal taxes. Rates on pastries, theatre tickets and places of amusement were cut from 40 per cent. to 10 per cent.; the levy on hotel rooms was reduced from 60 per cent. to less than 20 per cent. For many weeks prior to the reduction, business interests had asserted that the policy of Financial Director Breitner was ruining Vienna by taxing to death enterprises catering to foreigners. In some quarters, therefore, the reduction was regarded as a victory for the bourgeoisie. On the other hand, however, Carl Egan Alma, Counselor of Commerce in the Austrian Government, expressed the opinion that these reductions should be regarded as evidence that not only Vienna, but the nation as a whole, was improving financially and industrially. In this connection Mr. Alma cited the fact that Austria was becoming less dependent on the outside world for supplies. He gave the following summary of the present economic condition of Austria:

We now import only one-quarter the amount of coal we imported from Czechoslovakia before the war. Five hydroelectric developments in the Austrian Alps, owned jointly by provincial governments and private interests, have replaced this source of fuel. The electric systems are interconnected on the American superpower plan. This year's harvest [the harvest of 1925] will provide food for nine months to come. Before the war

Austria imported grain during seven to eight months every year. Most of the 80,000 Government employes who were dismissed three years ago through reorganization plans have been absorbed in commerce and industry. There are 110,000 persons unemployed now, compared with 140,000 last year, out of a population of 6,000,000. Electrification of the Vienna subway and surface transit lines, many of which formerly were operated by steam, has given much employment. Since banks cannot discharge employes without giving them two years' pay, their staffs are larger than the banks desire. As a result the banks have charged electrical companies from 16 to 18 per cent. for loans. Savings bank deposits have increased from practically nothing last year [1924] to \$65,000,000 this year [1925], in response to increased confidence in the fiscal system.

The new American Customs Control Bureau opened in Vienna on Dec. 1. The Austrians hoped that the opening of the

bureau would mean that Vienna would become a larger buying centre. According to a report made to the Upper Austrian Provincial Diet regarding the \$5,000,000 Upper Austrian twenty-year 7 per cent. bonds recently floated in New York to yield about 7.75 per cent., the par value of the loan has been distributed as follows among the provincial establishments: Upper Austria, \$1,785,080; Land Mortgage Bank, \$1,250,000; Wolfsegg Traunthaler Coal Company, \$1,250,000; Stern & Hafner Electric Manufacturing and Power Company, \$535,740, and to the Upper Austrian Hydroelectric Power Company, \$178,580. While the province alone is liable to the loan creditors, the corporations mentioned are liable to the province for their shares.

[ITALY]

New Laws Strengthen Fascist Rule

More Stringent Press Censorship—Attack on Freemasonry in New Legislation—Suppression of Local Self-Government

By ELOISE ELLERY

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THE outstanding events in Italian affairs since the discovery of the plot against Signor Mussolini have been the extension of the censorship of the press, the passing by the Chamber and the Senate of drastic legislation strengthening the authority of the central Government and of the Premier himself and finally the settlement regarding the debt to the United States.

All news concerning the plot was made the monopoly of the semi-official Stefani News Agency. This agency soon after the assassination published an official statement affirming the existence of a widespread conspiracy not only to kill Mussolini but to overthrow the monarchy. In other quarters, however, doubt was expressed as to the extent of such a conspiracy and the suspicion gained ground that the whole affair was being used as a pre-

text to destroy opposition on the eve of the Matteotti trial. Whether this be true or not a rigorous censorship was established. The periodical *Rivoluzione Liberale* at Turin, edited by Dr. Pietro Gobetti, was ordered to suspend publication, as were also *Avanti*, *Giustizia*, *Unita* and the *Voce Repubblicana*. Other opposition papers, such as *Il Mondo* and *Il Risorgimento*, had their issues seized daily by the authorities; and on Nov. 21 a sensation was caused by the announcement that Senator Albertini, one of Italy's leading journalists, had been forced out of the editorship of the *Corriere della Sera* of Milan, perhaps the most widely read newspaper in all Italy. The *Corriere della Sera* had always opposed Fascism with vigor, but in company with other opposition journals condemned the attempted assassination of Mussolini, stressing, however, that their

condemnation was part of their objection to violence of any kind. This attitude aroused the wrath of the Fascist press which declared it insulting that liberal newspapers should dare to compare the violence exercised by Mussolini with the violence directed against his life. It was this very attitude of Signor Albertini and other pseudo-constitutionalists of his kind, declared Signor Farinacci, which had brought about the attempted assassination; and they, therefore, shared the guilt of newspapers which were openly subversive. It was not fair to suppress the latter and to tolerate longer journals which really agreed with them and which inspired violence within and defamed Italy abroad. As a result of this agitation Signor Albertini was obliged to abandon the editorship of the *Corriere della Sera*. The management is said to have been taken over by the Crespi Brothers, owners of the majority of the stock, who on various occasions publicly declared that they did not share the opinions of their paper, but who were bound by a contract with Senator Albertini which gave the latter an absolutely free hand in running the newspaper until the year 1930. A flaw was alleged to have been found in this contract which permitted its immediate dissolution.

The Senate met again on Nov. 14, after the Summer vacation. Its opening session was devoted to receiving Prince Umberto, heir to the throne, who, having just passed his twenty-first birthday, became by law a member of the upper House. Two days later the Senate gave an enthusiastic welcome to Signor Mussolini and offered their congratulations on his escape from assassination. The chief business of the Senate at this session was the consideration of the so-called super-Fascist laws relating to the press, judiciary and secret societies; these laws were passed by the Chamber before the last adjournment. The bill against secret societies was passed by the Senate on Nov. 20. It prohibits all persons in the employment of the Government, provinces or municipalities from belonging to any secret society or any society whose members are required to take an oath. The law also makes it obligatory for them to declare whether they have belonged to any such organizations in the

past. Although no specific mention is made of it, it is understood that the bill is directed mainly against Freemasonry. In the discussion of the bill the majority declared themselves in its favor, but a minority of the Senators criticised it sharply as a violation of the fundamental rights of the Italian people. Among the latter was Senator Ruffini, who declared that if the bill was directed against Freemasonry it ought to say so openly. Why not pass a bill directly against Freemasonry, he asked, instead of forging a chain to bind liberty itself? Liberty existed in all the countries about Italy and if Italy passed this bill she would find herself alone, or with Russia for company. Without democracy and without liberty the world could not progress. Such objections were offset by the revelations of several army officers who cited cases where Freemasonry had interfered with the discipline of the army, and the Senate approved the measure by a vote of 208 to 6. The Senate also considered the question of the extension of the municipal franchise to women. It was argued against the bill that the intelligence of women was not adapted to deal with political matters, while the bill's partisans claimed that this assertion was not borne out by the experience of other countries which had already extended the suffrage to women. They declared, on the contrary, that women had proved their capacity during the recent war and that the extension of the suffrage to them was a mere matter of social justice. As the passage of the bill before the Chamber suppressing municipal elections in about 7,000 out of Italy's 9,000 communes would in large measure nullify the effect of the franchise bill, little opposition was raised.

In anticipation of the reopening of Parliament various groups of the Aventine discussed the desirability of a return to the Chamber. The Social Democrats and the Popular Party, it was reported, decided to return. The Chamber opened on Nov. 18 with a tremendous ovation to Signor Mussolini. In his response Mussolini reminded his audience that the Cabinet had taken no vacation, but that it had been waging three strenuous battles—the battle in defense of the lira, the battle to increase

Italy's cereal production and the battle of the war debts, all of which had been in considerable measure successful. He was speaking, he went on to say, not only to the Italian Parliament, but to the whole world. Parliamentarianism, he asserted, had sufficed for the nineteenth century, but it no longer satisfied the conditions of the present day. The outside world was divided for and against Fascismo and its opponents were attempting to surround Fascismo with a moral barricade, but it was time for it to be known abroad that no interference with Italy from outside would be tolerated. These words, he declared, were not intended as a threat, but as a "proud warning."

After the demonstration to Premier Mussolini the Chamber was the scene of a violent conflict between the Fascist and the Communist Deputies. As soon as the sitting was declared open a representative of the Communists rose and asserted that the Communists could not accept the manifestations which had occurred throughout Italy after Mussolini's escape because they did not reflect the thought and sentiment of the Italian people. The Chamber immediately broke into an uproar; Signor Farinacci rushed at the offender and struck him on the face and the Fascisti fell upon the Communists and ejected them by force.

In the following sessions the Chamber took up the measures termed by Mussolini "the fundamental reforms of the Fascist revolution." On Nov. 27 it approved the bill suppressing all local self-government in over 7,000 municipalities, replacing the mayors and town councils with Government appointees called by the medieval title of Podesta. With one exception, the speeches were favorable to the bill. The measure, it was contended, would confer good administration on the small rural municipalities where there were few men with sufficient business skill to manage public affairs properly. It would also abolish factional struggles, which are especially bitter in small rural communities. It was, moreover, in line with the Roman conception of the unity of the State, "transferring sovereignty from the people, who are a mere mass of living beings, to the nation juridically organized in the State."

On the following day, Nov. 28, another

important bill was passed, that against political refugees abroad who plot against the Government of their country. The vote was 275 to 23. This bill provides that political refugees abroad plotting against the Government of their country shall lose all rights of citizenship and that any property they may possess in Italy shall first be sequestered and then confiscated if the offense is repeated. The bill, however, does not state exactly what offenses shall come within the scope of this new legislative measure nor what procedure shall be adopted to ascertain the culpability of persons committing offenses which the bill is intended to punish. These two features were sharply criticised by a representative of the Liberal Opposition, who declared that the historical precedents quoted by the supporters of the bill brought back to his mind visions of the Middle Ages with their turbulence and despotism. Among those who spoke in favor of the bill was a Deputy who had recently returned from the Parliamentary Conference in Washington and who recounted the anti-Fascist demonstration which occurred in New York at the landing of the Italian delegation. Such demonstrations, he contended, were fomented by renegade Italian political adventurers who ought to be punished. At the last moment the bill was amended so that the relatives, especially the sons of an ex-patriot who is disenfranchised, shall not share his fate.

Another bill under consideration increases the power of the Premier. According to its provisions the Premier is made responsible to the King only, instead of jointly to King and Parliament. An adverse vote in the Chamber would not, therefore, necessarily cause the fall of the Cabinet. Further, no opposition can be included in the agenda of either Senate or Chamber without his approval. The final article surrounds the Premier with special safeguards. It reads: "Whoever commits an act against the life, integrity or liberty of the Premier is punished with imprisonment from ten to twenty years and if he succeeds in the attempt with life imprisonment. Whoever with words and acts offends the Premier is punished with imprisonment from six to thirty months and fined from 500 to 3,000 lire." The Chamber of

Deputies on Dec. 11 passed a labor measure which provided for the granting of juridical recognition to the Fascist-Labor bodies known as syndicates or corporations; the vote followed a speech by Premier Mussolini, who declared that all labor disputes must be submitted to compulsory arbitration.

A sensation was caused by the announcement on Dec. 2 of the findings of the Court of Public Prosecutions in regard to the Matteotti case. This matter has been pending since June, 1924, when Signor Matteotti, a Socialist Deputy, was kidnapped and murdered. Rumor connected men high up in Fascist circles with guilty knowledge of the affair. The arrests included Cesare Rossi, former Chief of the Press Bureau of the Ministry of the Interior; Giovanni Marinelli, former Administrative Secretary General of the Fascist Party, and Fillippo Filippelli, former editor-in-chief of a Fascist newspaper. The Court, in its recent decision, decided that though they might have instigated the kidnapping of Matteotti, the murder was unpremeditated and that therefore they could not be held responsible for the Deputy's death. As all political crimes except murder come within the scope of the recent amnesty, the Court ordered their immediate release. The five supposed actual slayers were sent up for trial. This decision the Court based on five considerations, which were reported in part as follows:

First, the Court could find no proper reason why any one should wish to murder Matteotti. He was not a prominent figure in the Socialist Party, nor was his opposition to the Fascist régime any more violent than that displayed by other Socialist Deputies. Nor can it be said, as has been suggested, that he was murdered on account of a speech he delivered in the Chamber on May 30, because the plot was hatched before that date.

Second, Matteotti was kidnapped in broad daylight in a well-frequented thoroughfare with a motor car whose number plate proclaimed to every one present that it belonged to the editor-in-chief of a Fascist newspaper of Rome. This, in the Court's opinion, suggested that nothing so serious as murder was contemplated.

Third, the evidence leaves no doubt that Matteotti was murdered in the motor car a considerable distance from the place where he was

kidnapped. If murder had been intended, states the Court, it would have been easier to shoot him down in the street or kill him as soon as he entered the car, instead of allowing him to attract attention by shouting and struggling as the car speeded away.

Fourth, if murder had been premeditated, adequate preparations would have been made for disposing of the body and the motor car.

Fifth, a strong chain, some five yards in length, was found in the possession of one of the men concerned. The Court states that this obviously was intended to keep Matteotti in captivity, showing that murder was not intended.

This decision was hailed by the Fascist press as a great victory for truth over false charges made by the Opposition press. What the Opposition thought of the whole matter is difficult to ascertain, as on the day this decision was announced no Opposition papers appeared in Rome.

Premier Mussolini, in an address on Dec. 5 before the First National Congress of the School Corporation, outlined a plan for the Fascistization of the nation's school system. In his speech he said: "The Government makes it imperative that the school shall be inspired by the ideals of Fascism; that the school shall not only not be hostile to Fascism and to the affairs of Fascism, but that in all grades and by all institutional instruction the Italian youth shall be educated to comprehend Fascism and the noble aims which Fascism proposes to accomplish."

The tone of some of Premier Mussolini's recent speeches, especially his reference to foreign powers, in his address at the opening of Parliament, aroused some uneasiness among Italy's neighbors as to his bellicose intentions. Point was given to this uneasiness by the destruction by Fascisti of a newspaper office at Triest. This demonstration occurred on Nov. 4 and was not reported by the Italian press. On Nov. 19 the Tyrolese Diet voted to ask the Federal Government of Austria to protest to Rome against the speech at the opening of Parliament and also against the action of the Italian postoffice in refusing to deliver mail to Austrians in the South Tyrol unless addressed in Italian. The Federal Government was asked to appeal to the League of Nations in case a direct protest to Rome proved futile.

Elections in Czechoslovakia

*Foreign Policy of Greece Declared to be Pacific—Monarchists
Active in Hungary—Currency Crisis Causes Polish Political
Crisis—Raditch in Yugoslav Government*

By FREDERIC A. OGG

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Albania

REPORTS indicate that the Government of Ahmed Zogu has lost such popularity as it once had and that a coup d'état is easily possible at almost any time. Some twenty ex-Ministers, about seventy high officials and other leaders, Christian and Moslem, including the Archbishop of Scutari and a number of Bishops and priests, are living in exile, while the deposed President, Fan Noli, and a company of followers eagerly watch from beyond the frontiers for a favorable opportunity for regaining power. Murder, loot and rapine are rife, and agents of Moscow are actively pushing their propaganda.

Czechoslovakia

THE republic's first Parliament, elected on April 18, 1920, was dissolved on Oct. 16 last (being at the time the oldest in post-war Europe), and general elections took place on Nov. 15 and 22. Legally, the Chamber of Deputies should have lasted until Spring, and the Senate had two and one-half years more to go. But the political crisis caused by the controversy with the Vatican in July made earlier elections a necessity and both houses were entirely renewed on the dates mentioned.

A heated contest in which 5,129 candidates sought the 442 seats in the two chambers resulted in a victory for the "Petka," or Government Coalition, although by no wide margin. At the dissolution the five Czech parties composing the Coalition—Agrarians, Social Democrats, National Socialists (with Benès as leader), National Democrats, and People's or Clerical Party—supported by the Industrialists, or Traders' Party, had 173 Deputies in the Cham-

ber to 121 belonging to the Opposition parties. In the new Chamber these six parties have 159 against 141. In the new Senate the situation is proportionally a little more favorable to the Government parties, but that Chamber has proved of slight importance. Because of the slender majority in the Chamber and the possible difficulties of maintaining it, the Agrarian Premier, Svehla, tendered his resignation to President Masaryk; but he was persuaded to remain in office and form a new Ministry.

For a number of reasons the elections were particularly interesting. In the first place, they brought into action an extraordinary number of parties and strikingly revealed the fissiparous tendency in Continental politics. Ever since 1920 both Coalition and Opposition parties have been throwing off new divisions or groups. For example, from the Agrarians broke away the Conservative Agrarians; from the Social Democrats, the Communists, from whom in turn seceded the Independent Communists; from the Clericals broke off the Slovak People's Party. Hence, in this election, there were twenty-nine recognized parties—some Czech, some German, some Polish, some Hungarian, some Jewish—not counting sundry nondescript groups. Of the number only the five Czech Coalition parties and the two Communist parties had candidates in all of the twenty-two election districts, and thirteen failed to win a single seat. Under a revised election law, designed to keep seats out of the possession of miniature parties, nine parties previously represented failed to come back.

A second interesting feature is the new political orientation, which hardly appears from an examination of the election statistics. One phase is the heavy falling off



Antonin Svehla, Premier of Czechoslovakia

of the vote polled by the labor group and a proportionate increase (from two and one-half to four millions) of the vote of the bourgeois parties. A second phase, however, is the large increase of the Communist vote at the expense of the Social Democrats; the Communists' quota of seats rose from 27 to 42, which is the second largest group in the new Chamber. A third aspect is the increasing disposition of the Germans (the strongest national minority in the country) to work with the Czechs in politics, even as the two elements have already drawn together more closely in the realm of business. And a fourth is the expressed willingness of Father Hlinka, leader of the Slovak Clericals (who increased their quota of seats from 11 to 21), to join the Czech Coalition under certain conditions, further betokening a tendency not hitherto observable for racial and cultural lines to constitute less impassable barriers in politics. Since, however, those conditions have to do with Slovak autonomy, it is by no means certain that they will be met.

For the reason that the Czechoslovak People's Party is a Catholic organization whose thirty-one Deputies must be held in line to insure the Government's majority, the likelihood of a legislative drive for the separation of Church and State as proposed by the Social Democrats and National Socialists during the campaign is not very great. The adhesion of the Slovak Clericals, if it comes, will also constitute an obstacle to such a course of action.

Greece

THE Greek Legation at Washington was advised at the middle of November that March 7, 1926, has been decided upon as the date of the coming national elections, and that an official decree to that effect has been promulgated. The new Parliament will convene on March 26.

M. Lukas Roupfos, recently Minister of

Education, became Minister of Foreign Affairs in November. On taking office he said that the foreign policy of Greece would continue strictly peaceful, that all external engagements would be scrupulously maintained, and that every effort would be made to develop friendly relations with all of the neighbors of Greece as well as all other States, having particular regard for those with which Greece was allied during the World War.

According to a communication from the Greek Foreign Office received by the Secretary General of the League of Nations on Nov. 11, Greece would welcome a Locarno compact for the Balkans. The letter was based on the misapprehension that the League Secretariat was engaged in drafting such an agreement. But it was not ill-timed, in that an arrangement of the kind was expected to be proposed by Mr. Chamberlain or M. Briand at the December meeting of the League Council.

The honorary degree of LL. D. was conferred upon Mr. Henry Morgenthau by the University of Athens on Nov. 30.

Hungary

THE third week of November witnessed a considerable political flurry, produced by actions of the Archduke Albert indicating that he proposed to be an active candidate for the Hungarian throne. Returning from Italy, where he became an enthusiastic convert to the Fascist gospel, he accepted election by forty clubs of Awakening Hungarians as their head, and in a banquet speech held up Italy as an example "of what Magyar patriots need to do to save the nation." It was assumed in many quarters that his intention was to organize his young, reactionary, anti-Semitic followers on Fascist lines, and, on the ground that his mother is descended from a noble French family, seek the throne as a "national Hungarian" rather than a Habsburg. In later days he has remained in the background and his actual purposes are far from clear. Meanwhile Count Apponyi and other Legitimists (including most of the principal members of the Hungarian aristocracy) continue to support the claims of "King" Otto, whose thirteenth birthday was celebrated enthusi-

astically on Nov. 20; although there is more popular endorsement of the Archduke Joseph, head of the Hungarian line of the Habsburgs.

Report has it that the Legitimists have offered Archduke Albert a compromise, the terms of which are that he shall remain temporarily neutral on the crown question, swearing allegiance to Prince Otto until 1930, when the latter will be 18, which is the adult age according to royal customs. If at that time Otto's claim to the Hungarian crown has been definitely vetoed by the Powers, Archduke Albert is to be free from his oath of allegiance and the Legitimist relations to Prince Otto will be revised according to the then existing situation. This proposal was considered unsatisfactory in Albertist circles, which urged him not to accept it.

President Coolidge was appealed to on Nov. 22 by the law firm of Curtis, Fosdick & Belknap, attorneys for the Countess Catherine Karolyi, to modify the attitude of the State Department, which had refused permission to the Countess to pay another visit to the United States. It was contended that her political views are not such as to bring her under the acts of 1918 and 1920 excluding anarchists and those advocating the overthrow of the Government.

Consternation was caused in Budapest by the decision of the Court of Appeals on Nov. 18 reversing the death sentence of Marfy and Marosi, convicted of throwing bombs into a Jewish dance hall about two years ago and killing nine and wounding twenty-three persons. The court acquitted the two defendants of this offense, but sentenced them to six years at hard labor for an attempt to place a bomb in the French Legation here and in the homes of two Liberal leaders. Several other defendants who had been sentenced to heavy jail terms were acquitted and freed immediately.

The crimes were a part of the anti-Jewish terror campaign carried on by the Society of Awakening Hungarians, of which the defendants are prominent members. As the guilt of Marfy and Marosi was clearly proved in the lower court, there appeared to be substance in the charge made by the Opposition press that the acquittals were traceable to political influence coming from Regent Horthy's immediate advisers.

Poland

ON the theory that he was the country's one political leader with a real understanding of finance, M. Grabski was able to keep his Cabinet in office long after it had ceased to have effective support from Parliament and the country. But when, shortly before the middle of November, the fundamentally unsound basis of the new zloty currency caused a sharp decline in exchange rates, this prop was removed and the Ministry suddenly fell.

Much difficulty was experienced in finding a new Premier. There are no fewer



Map of Poland

than twenty parties in Parliament—divided roughly into (a) the Right, led by M. Dmowski; (b) the Left, led by Marshal Pilsudski, and (c) the national minority groups—and for a full week it proved impossible to effect a working combination. At length, on Nov. 20, the previous Foreign Minister, Count Alexander Skrzynski, after having once renounced the effort, was able to form a coalition Administration with associates drawn from the five most important groups in the Diet, including the National Democrats, the Christian Democrats and the Socialists. M. Skrzynski remains Foreign Minister as well as Premier. The general economic situation of the country is unsatisfactory and the new Government will be hard pressed. Persistent flight of capital resulted, early in December, in new low records for the zloty.

Negotiations for a commercial treaty with Czechoslovakia were reported on Nov. 12 to be far advanced, and at about the same time discussions looking to a commercial treaty with Germany, following the submission of new tariff proposals by the Polish representatives, were resumed.

In the municipal elections held in November in the Province of Pomerania, which is the famous "Polish Corridor," the Polish candidates won decisively over the German candidates. Of 386 municipal councilors elected in sixteen towns only forty-one were Germans and the rest Poles. The German candidates made their best showing in Tczew, where they elected eight out of thirty councilors.

Yugoslavia

THE release of M. Stefan Raditch from an eight months' imprisonment on charges of high treason and his almost immediate appointment as Minister of Education in the Pashitch Cabinet have brought the irrepressible Croat leader into new prominence, the more by reason of various speeches and pronouncements which he made during the last week of November. The ebullition which caused the greatest furor was a speech at Laibach on Nov. 22

in which he used strong language against Italy, especially warning her against violation of the Dalmatian frontiers. Formal protest was lodged from Rome, and the incident might have assumed a serious aspect but for the fact that, perhaps admonished by his colleagues, the Minister declared that he had been both misquoted and misinterpreted. Yugoslavia and Italy are linked by common membership in the League of Nations and by the special treaty of friendship concluded at the time of the Fiume settlement in January, 1924. But there are ever-present elements of discord between them, and it is gratifying that the Laibach incident passed with so little real trouble.

Sundry statements by the new Minister of Education on the minority question have also roused great interest. They are, in general, to the effect not only that the treaty provisions protecting minorities will be scrupulously observed, but that education must be entirely free of politics, that the languages of minorities should be freely taught in the schools, and that minorities themselves, far from being undesirable in a State, are useful and should be generously dealt with and protected. Coming from a former ardent advocate of decentralization and racial autonomy, these sentiments have led people who are interested in maintaining the Serb predominance to inquire whether, perhaps, the speaker, instead of being converted to the ideal of a unified State, has not merely changed his method from open attack to "boring from within." Obviously, the Ministry of Education is a strategic position from which to employ such tactics. Some liberal working arrangement in the interest of the numerous minorities of Yugoslavia will doubtless prove indispensable; but strong opposition from the Serb centralizationists will first have to be overcome.

It was announced by the Government on Dec. 8 that twenty alleged revolutionists had been arrested in Snillientsi, Southern Serbia; the Government charged that the prisoners had been active in recent Macedonian terrorist plots.

Russian Commerce Organized as National Unit

Foreign and Domestic Trade Departments Merged—Success of the Soviet's New Internal Loan—Dishonesty Growing Among Government Officials

By ARTHUR B. DARLING

Assistant Professor of History, Yale University

BY decree of the Central Executive Committee of the Soviet Union on Nov. 19, the Foreign Trade Monopoly was merged with the Department of Internal Trade to form one Commissariat of Trade. Mr. Tsurupa, recent Chairman of the Gosplan, or State Planning Board, became head of the new organization. Mr. Krassin, former Minister of Foreign Trade, and Mr. Scheinmann, Minister of Internal Trade, were reappointed, but as assistants to Tsurupa. For this reorganization, inefficiency and confusion, resulting from divided responsibility, were immediate causes. The dual system had such distressing consequences as a surplus of vessels at ports where no grain had yet been accumulated, a dearth of manufactured goods in rural areas where the need was greatest, a harvest for the private traders who scurried about between the lumbering State trusts, to provide the grain or goods that purchasers desired, at inflated prices. Izvestia criticized the old administrations for failure to coordinate their activities and cooperate for the benefit of the country; but it went much further when it pointed out that the reorganization reached down to the foundation of the State.

It seems that the Soviet authorities have determined to organize national commerce as a unit, just as they did with national industry when they placed Dzerzhinsky at the head of the Supreme Economic Council. Such consolidation will make possible better correlation of the two factors, industry and commerce, with the third and most important, agriculture. With complex and conflicting economic elements thus forced together under strong administrative organizations, the task of the State Planning

Board will be greatly simplified. Its programs for annual expenditures will have in the future a far better chance of working out as originally planned. No one can doubt that such stabilization will create political capital for responsible persons, and certainly the Bolshevik leaders are not ignorant of that possibility.

Walter Duranty wrote from his vantage point at Moscow:

With the possible exception of the Soviet system of autonomous republics—which seems to be in a fair way to solve the problem of the balance between the dominant colonizing race and peoples of inferior social, economic and cultural development—Gosplan appears to the Bolsheviks as a discovery of greatest value to the rest of the world. Not the least interesting feature is that it can be applied in a capitalist as well as a socialist State. * * * Under the vigorous and intelligent direction of Tsurupa, the Gosplan has gained enormously in importance because it judges national problems dispassionately as a whole and not from the biased viewpoint of one or another economic interest.

The transfer of Tsurupa to the Commissariat of Trade did not indicate, therefore, that the Gosplan was declining, but rather that it was gaining in political importance. Nor was Tsurupa pushed aside. He was set at a task equally vital in order to prepare the way for a transformation of the State Planning Board.

Moreover, the appointment of Krizhizhmovsky, an old revolutionist, to the chairmanship of the Gosplan, was but transitional. Strong rumors were immediately abroad in Moscow that Trotsky might be summoned to head the State Planning Board, but it seemed more likely that Kamenev, who with Zinoviev and Stalin formed the most powerful group in the Political Bureau of the Communist Party,

would assume direction of the Gosplan. The Council of Labor and Defense, of which Kamenev has been head, has become practically obsolete since the Supreme Councils of War, National Economy, Finance, Trade, and so on, have been elaborated. Placed over these administrative commissions, the Gosplan, now seemingly nothing more than a financial advisory board, may take on character as chief executive instrument of the Russian State. But, even though it be given political complexion, the significant fact will still remain that the Gosplan will be essentially a financial body holding the national welfare superior to sectional, occupational, or partisan interests.

If the Trade Commissariat and the Supreme Economic Council successfully coordinate and administer industrial production and distribution of goods for but a few years under the direction of the Gosplan, the Bolshevik leaders who now dominate Soviet Russia will have gone far toward the ultimate accomplishment of their greatest aim—reconciliation of the peasantry. Already there are indications that the peasants are awakening to their political opportunity within the Soviet régime. As one Communist correspondent wrote from Siberia:

There is a new spirit among our peasants. The schoolroom was not big enough for the electoral meeting, so we were forced to move to the church. The peasants said they did not care whether the local Soviet was Communist or not. What they wanted was a body that would protect the collective instead of individual interests and that would insist that State stores and cooperatives be provided with goods, to the exclusion of private traders whose prices were extortionate.

Indeed, what does it matter to the peasantry of Russia whether the pure Communist theory is still asserted, whether title to all land rests with the State? Bolshevik leaders, with their new economic policy of 1921 and subsequent specific concessions, have long since compromised with theory to leave the peasants in practical control of the lands which they work. If the peasants can now gain active voice in the Soviets, why should they not accept that form of government? If the Commissariats at Moscow can regulate production and distribution of manufactured goods so as to

thwart the "kulaki" (rich peasants) and private traders, whom the peasants must soon recognize as their immediate exploiters, why should they not support the Bolshevik régime?

Russia's purchases from Canada during the year ending October 31 leaped from \$480,000 to the sum of \$14,000,000. The Russian information bureau at Washington published statistics on Nov. 25 to show that Russia's trade in September, amounting to \$74,880,000, was the largest for any month since 1917. Its imports exceeded its exports by \$3,700,000. For the fiscal year ending Sept. 30 an unfavorable balance of \$55,400,000 was recorded, in contrast with a favorable balance of \$65,000,000 in 1923-1924; this adverse situation was attributed to the fact that exports of grain had ceased on account of the poor harvest in 1924.

The Soviet Government floated its new internal loan with marked success. The first instalment of 20,000,000 rubles was oversubscribed three and one-half times in a week, Moscow, Leningrad and Kharkov contributing 62,700,000. The Commissariat of Finance called attention to the fact that but a year ago "forced loans" were usual; whereas 69 per cent. of the subscriptions this time came from private sources and 72 per cent. consisted of small subscriptions in 100-ruble units. Furthermore, there had been subscriptions from abroad through the branch of the Soviet Bank. But, although the citizens of Russia may have displayed greater confidence in the Soviet Government than ever before, the Finance Commissariat had reason to reflect over the fact that it had been obliged to issue the loan at 12 per cent. interest plus another 5 per cent. to be distributed in four lotteries.

Reports from Moscow indicated that the Government had found wholesale embezzlement and graft among its officials. Stelmaghovics, Minister of Finance, candidly admitted that the causes of increasing dishonesty in public office were lack of proper administrative control, slipshod financial methods and insufficient care in the selection of employes. *Izvestia* published figures to show that the majority of the culprits belonged to the old lower classes of society. In Moscow, 20 per cent.

of the defalcators were from the working class; 36 per cent. were former peasants; 38 per cent. came from the class of small employes; only 6 per cent. were from the intelligentsia of old Russia. It seems that more than 58 per cent. of the cases began with drunkenness or debauchery. The Government was frank to admit that some 20 per cent. of the criminals were Communists. Trials were pressed rapidly to conclusion. At Leningrad, 123 port officials and others were haled into court. Twelve of the accused were sentenced to death; among them were Zhivotov, economic administrator of the port; Reshetkov, manager of the fuel stores; Putintsev, construction manager; Rips, director of supplies. Thirty-five were acquitted. The remainder were sentenced to terms of soli-

tary confinement for ten years or more. On Nov. 30, after negotiations continuing over three months, Russia and Japan came to agreement with regard to the oil fields in Sakhalin, formerly controlled by the American Sinclair interests. In addition to the wells obtained by the Peking Government, the Japanese companies received the right to exploit for ten years another area of 10,000 square miles on the Eastern coast and for fifty years certain coal fields. Russia was to have royalties on oil from 5 to 15 per cent. and on coal from 5 to 8 per cent.

Tchitcherin, Commissar of Foreign Affairs, visited France and had a conference with M. Briand. It was understood that shortly he would also confer with Austen Chamberlain, British Foreign Secretary.

Nations of Northern Europe

Finland

AN employe of the Russian Consulate at Viborg was arrested for military espionage and deported to Russia. His papers brought suspicion upon six Communist agitators. Soon thereafter more than thirty arrests were made, half of them in Helsingfors. Finally the police discovered papers in the homes of two Communists that compromised many members of the Socialist Young People's Association. The trial court was asked to dissolve the organization as guilty of treason against Finland.

Lithuania

THE Lithuanian Minister at Rome had a conversation with Mussolini on Oct. 3 with regard to a commercial treaty between Italy and Lithuania and with regard to the policy of the Allies concerning the Polish occupation of Vilna.

The negotiations renewed at Lugano with Poland were broken off because the Polish delegation tried to advance beyond discussion of the Klaipeda Convention to settlement of the misunderstanding over Vilna. Lithuanian statesmen reiterated their determination not to restore normal relations with Poland until Vilna was returned to Lithuania.

The official organ, *Lietuva*, frankly stated that Lithuanian aspirations had met defeat in the recent elections at Memel (Klaipeda), but declared that it would be a mistake to give up the struggle to create a Lithuanian national sentiment there.

Estonia

THE Council for Autonomy of German Minorities in Estonia was established on Nov. 1. Mr. Harry Koch became its President. The council is to direct the schools for the German population.

A law for the disestablishment of the Church was passed by the Estonian Parliament. Churches may now be registered as national organizations or as individual communities independent of the national Church.

Latvia

MR. JAN CHAKSTE was re-elected President for three years on the second ballot of the new Latvian Parliament. At the first ballot the Socialist poet, Mr. Rainis, led with 33 votes; Mr. Ulmanis, Agrarian leader and former Prime Minister, had 32; Mr. Chakste had 29. Rainis withdrew and Chakste won over Ulmanis by a vote of 60 to 31.—A. B. D.

Spain's Return to Civil Government

Portuguese Elections—Socialist Gains in Switzerland—Dutch Cabinet Crisis—Swedish-Finnish Defense Alliance—No Nobel Prize Awards by Swedish Authorities

By JOHN MARTIN VINCENT

Professor Emeritus of European History, Johns Hopkins University

CIVILIAN Government was restored in Spain on the morning of Dec. 3. General Primo de Rivera resigned as Chief of the Military Directorate and was immediately appointed by King Alfonso as Prime Minister of a new Cabinet. The list of members of the new Administration was announced as follows:

GENERAL PRIMO DE RIVERA—Premier.

GENERAL MARTINEZ ANIDO—Vice Premier and Minister of the Interior.

PROFESSOR YANQUAS—Foreign Affairs.

SEÑOR CALVO SOTELO—Finance.

SEÑOR GALOPONTE—Justice.

DUKE OF TETUAN—War.

ADMIRAL CORNEJO—Marine.

PROFESSOR CALLEJO—Education.

MARQUIS GUADALERZAS—Agriculture.

EDUARDO AUNOS—Labor.

COUNT GUADAL-HORCE—Industry.

The new Government was characterized as "civilian" because of the fact that some of the members were not directly connected with the army. It was expected, for this reason, that administrative procedure would hereafter be less flavored with martial law. The dictatorship, however, remained. It was understood that the system of Military Governors in the provinces was to be abolished, but that the control of the Central Government would not be relaxed. The Cabinet was immediately sworn in by King Alfonso, who signed a royal decree repealing the one of 1923, by which he had abolished the office of "Cabinet Minister," and he also issued a new decree giving full legal status to all acts signed henceforth by the new Government.

The civilian members of the Cabinet were recognized to be of a high order of talent. The Minister of Foreign Affairs, Dr. José Yanguas, 35 years of age, had

been Professor of International Law at the University of Madrid since 1920, and is Spanish representative on the permanent tribunal of international arbitration at The Hague. The Minister of Public Works, Condé de Guadal-Horce, is a noted electrical engineer, upon whom the King conferred the title of Count for many engineering successes. The Minister of Labor, Don Eduardo Aunos, 31 years of age, has been in Parliament and was Under Secretary of Labor in the Directorate.

The change in Government was made with dramatic suddenness, the public being unaware of any such action until the last moment. No mention was made of a return to parliamentary rule. The Spanish Constitution still exists, but it has been placed in safe deposit until further notice. The Directorate retired well satisfied with its own work, as was manifest in the circular sent out by the new Cabinet, which document declared that Spain, during the twenty-six months of the military régime, had enjoyed more peace and prosperity than it had known since the nineteenth century.

According to the published statements the new Administration intended to follow a program of economic and political reform. It proposed to examine all political acts for five years previous to the entry into power of the Directorate, to punish energetically all delinquencies, and to make public all findings in order to provide standards by which the comparative results of the old system and the Directorate may be judged.

Strict national discipline was to be maintained at all costs. The press and telegraphic censorship was to be maintained,

especially regarding Morocco matters, international relations and the prestige of those in authority.

All public meetings of a political character were forbidden.

Government subordinates were to remain in office, but civic and military Governorships were to be abolished; if the Governors are military men exercising wholly civil duties they will be replaced by civilians.

The balancing of the national budget was looked upon as the most pressing problem, and in order to carry this out effectively it was decided that a census of the national wealth should be made to determine upon rational taxation without molesting national money invested or deposited abroad; the work of the country was to be financed on the basis of taxes by personal declaration and verified by a fixed tax; taxes on the source of national wealth were to be made lighter to permit their free development.

The difficulties with the budget arose from the expenditures on military affairs. Less than 10 per cent. of the total of the 1924-5 budget was spent on the maintenance of the Church, the Departments of Justice, Education and Health all combined, while more than 33 per cent. went to the armed forces. It was pointed out that the present Spanish army had almost as many officers as Germany had before the war.

Not counting the outlays in Morocco, the expenditures of government amounted to about \$20 annually for each of the 22,000,000 inhabitants of Spain. To this must be added the cost of the Moroccan expeditions, which have required not less than \$90,000,000 per annum for the past few years. It was recently estimated that the Spanish taxpayer had been spending \$150 a year on every man, woman or child in the Riff. The problem of peace was therefore one of the most urgent issues facing the nation.

The Rockefeller Foundation extended a helping hand to Spain in the interest of science with a gift of \$400,000 for the building of a physical chemical laboratory in Madrid. The new institution will be equipped with everything necessary for scientific research, the Spanish Government promising to maintain the institute,

appointing the personnel and furnishing the yearly budget for its upkeep.

The tariff war with Germany which began on Nov. 6 lasted less than a fortnight. A *modus vivendi* for six months was signed on Nov. 18, according to which accord Spanish fruits shall enjoy the same advantages as under the previous agreement, and German goods entering Spain shall pay "second column" duties.

Pablo Iglesias, President of the Spanish Socialist Party and an outstanding figure in the Spanish labor movement, died in Madrid on Dec. 9, aged 75. Iglesias was noted as an editor, orator and legislator, and he served for thirteen years as a member of the Cortes (the Spanish Chamber of Deputies), which was dissolved by the Military Directorate in 1923.

Antonio Maura y Montaner, distinguished Spanish statesman and former Premier, died at Torrelodones, near Madrid, on Dec. 13, aged 66.

Portugal

TWO outstanding events commanded national attention in Portugal during the month—the resignation of the President and the elections to the National Legislature. Teixeira Gomes, President of Portugal, resigned his office on Dec. 10, giving ill health as the reason. The President's action was not unexpected, as it had been known for some time that his physical condition was poor.

The President's resignation followed by several weeks the elections to the National Legislature, which resulted in a decided victory for the present Coalition Government. Late returns indicated that the Right Democrats had won 80 seats, the Nationalists 33, the Independents 13, the Monarchists 6, the Economic Union 4, the Catholics 4, the Socialists 2, while the Left Democrats, who last Summer were "radiated" from the regular Democratic Party on account of their Communistic tendencies, came out of this election with only five delegates. The balloting passed off without special excitement or serious trouble. It was apparent, however, that the difficulty of maintaining in power a party which holds less than a majority of seats is very great.

Developments in the controversy over peonage in Portuguese West Africa continued. It was announced that the Government of Mozambique (Portuguese East Africa) had entered into an agreement with the authorities of the Island of St. Thomas, in the Gulf of Guinea, to send 30,000 natives to work on the cocoa plantations of that island. These laborers are to be repatriated at the end of three years. The plantations of St. Thomas employ about 50,000 people, who hitherto had been recruited in part from the Guinea coast, but also very largely from Angola (Portuguese West Africa). There has been considerable controversy over the terms of recruitment and repatriation, and of late years there has been a shortage of labor in Angola itself; these two elements decided the officials to secure the necessary labor from the other side of Africa.

Switzerland

THE precise result of the October elections to the National Legislature was not known until late in December; the final figures confirmed the original belief that the parties would remain about the same, except for a slight drift to the Left. The election brought some thirty-four new persons into the political arena, but the division gave no one group a commanding majority. With the Radicals counting 60, the Catholic Conservatives 42, the Socialists 49 and the Agricultural Party 30, it was evident that legislation in the lower house would have to go forward by combinations on a progressive basis. The advance of the Socialists was attributed by the *Neue Züricher Zeitung* to discontent with the high cost of living. The Socialists themselves through their newspapers congratulated their organizations over the result of the election and pointed out that it completely justified their party's middle-of-the-road stand against the Communists on the Left and the near-bourgeois group of social reformers on the Right, called the Gruetlianner. The Socialists also interpreted their gain as indicating that the Swiss workers have faith in the possibility of transforming the Confederation into a cooperative Commonwealth by peaceful political methods.

The *Journal de Genève* represents the

sentiment, general in the French-speaking States, against further extension of centralization of governmental functions in the Federal authorities, and against a policy of high tariffs. This paper stated that if the tendency indicated by the October election was to be overcome the Liberal Party in German Switzerland would have to reorganize and fight against abuses of power and a growing bureaucracy. The Government's determination to continue its high tariff policy was made clear by the submission by the Federal Department of Finance of a new tariff bill which provided for an increase of rates over those imposed in 1922, on the ground that since that time other countries have raised their customs duties.

The Government has arranged commercial treaties with some of the new war-created nations, the latest being Estonia. The Federal Council recognizes that Estonia does not play a great part in Swiss exports, but is important as a country of transit to her neighbors.

The Federal Budget of Estimates for 1926 predicts a surplus of one to two million francs. From the Alcohol Monopoly the estimated receipts are 11,800,000 francs, the expenditures 6,273,000, leaving a profit to the Government of 5,527,000 francs. By law a part of this must always be divided among the Cantons, and it is estimated that for this purpose there will be 3,200,000 francs to be apportioned, at the rate of 80 centimes per inhabitant. In 1925 the rate was 50 centimes.

The *New York Times* on Dec. 2 published a dispatch to the effect that the Swiss Government had approached the Italian Government concerning the "Catechism of Ballilas" and the "Palatine Society," Fascist organizations which have just been formed in Milan with the alleged aim of securing for Italy the Swiss Canton of Tessin. At the same time a protest was lodged with Rome against the treatment meted out to the Swiss painter, Alexander Cingria, who was detained in prison at Milan four days and was not permitted to communicate with the Swiss Consul.

The Tessinois, while retaining Italian speech and culture, are Swiss citizens and bitter opponents of the Fascisti.

In these days of swift traffic and all per-

vading motors a palliative measure has been undertaken by the Canton of Zurich. Accident insurance for public school children will be provided by the Contonal Government. At present one hundred and fifty communities are making use of this insurance, paying an average of 1,000 francs in case of accidental death, 500 in case of disability, and three francs a day for medical treatment.

Holland

A CABINET crisis was precipitated during November when the Second Chamber passed an amendment to the budget bill under which the Legation of the Netherlands at the Vatican would be abolished. The proposal was made by Mr. Kersten, a Protestant Deputy. Although strongly opposed by the Roman Catholic Party, and also by the Anti-Revolutionary Party, of which the Prime Minister is the leader, the motion was carried by 52 votes to 42. In consequence of this the four Roman Catholic Ministers offered their resignations. These Ministers were Messrs. Bongaerts, Welter, Koohl and Lambooy. A few days later the Protestant Ministers followed their example and Prime Minister Colijn laid before the Queen the resignation of the whole Cabinet.

The short life of three months allotted to this Administration was filled with difficulties owing to the closeness of the vote among the three or four more important party groups. The removal of the Vatican Legation was opposed by many Protestants because of the important diplomatic activities going on in Rome, with which the Dutch Foreign Office ought to have first-hand acquaintance, but a Protestant leader sustained a political defeat for such an opinion.

Among the bills passed by the Second Chamber before this crisis, may be mentioned a measure to establish a Government censorship of moving picture films. The bill provided that no films should be exhibited unless passed by a national commission. Municipalities may have the further right to regulate pictures already censored by the Government. The expense of the censorship commission is to be

raised by a tax on cinematographs. The bill was supported by all the confessional parties and opposed by the Liberals and Socialists, the Left being ready to accept a censorship for minors, but no more.

The Minister of Foreign Affairs, in a memorandum in connection with the estimates for his department, stated that no circumstances had arisen which could justify the fear that the former German Emperor desired to make an unlawful use of the hospitality which he enjoyed in Holland.

Professor Josephus Jitta, a well-known international jurist, has died at The Hague, aged 71. He was President of the Netherlands Committee for International Civil Law, and a few years ago he presided over the meetings of the International Law Association at The Hague.

Sweden

INTEREST centred during the month upon the question of the need of a Swedish-Finnish defense alliance. This issue was emphasized in the press discussion which followed an important radio address delivered in November by the King's second son, Prince William. The Prince, who accompanied the royal family on the State visit to Finland in August, 1925, described that trip in his address, and made a strong appeal for closer relations between the two States.

The address was widely commented on in the Swedish press, and, while the Conservative papers displayed enthusiasm, the Popular-Liberal and Social-Democratic papers maintained the attitude of reserve which they assumed two years ago when they forced the resignation of the Conservative Foreign Minister, Carl Hederstierna, because he openly advocated a defensive union with Finland. The *Svenska Morgonblad*, organ of the Popular-Liberal faction, warned against the implied argumentation in the address of the Prince, in favor of a defense pact with Finland.

The Government announced the renewal for twenty years of the compulsory arbitration agreement with Norway, which accord, when first signed at the time of the separation in 1905, made war between these two countries contrary to law. As the new treaty provides for automatic re-

newal every twenty years it was considered extremely unlikely that the pact would ever be repudiated by either nation.

The Conference of the State Church, acting in its ancient rôle of a legislative assembly, imposed a veto upon the law adopted by the Left majority in Parliament in Spring, 1925, which measure provided that civil funerals as well as religious rites in other than those of the established Church itself, might be held in the State-owned churches. Following the action of the churchmen, the agitation in favor of a complete separation of Church and State took on new vigor.

Late dispatches from Sweden gave semi-official reasons for withholding the Nobel prizes for the year 1925. This action was declared to have been due partly to lack of qualified candidates and partly to a need of funds for the Nobel Library and the Physical and Chemical Institute. The statutes of the Nobel Fund specify that "no work shall have a prize awarded to it unless it has been proved by the test of

experience or the examination of experts to possess the pre-eminent excellence that is manifestly signified by the terms of the will." The awarding bodies considered that there were not sufficient candidates in 1925 who had achieved work of this standard. The Nobel Library needs money for the purchase and binding of books, and, furthermore, on account of the shrinkage in the returns from investments since the war, the value of the annual prizes has decreased from more than \$40,000 to less than \$30,000 while the taxes have increased. Heavy taxation, both by Crown and local authorities, seemed to be the primary reason for withholding the 1925 prizes, although this was not officially admitted. The shortage of money made it desirable, if not absolutely necessary, to add to the capital fund the amount that would have been given in prizes.

Wollmar Bostroem, Swedish Minister at Madrid, was appointed Minister to the United States to take the place of Axel F. Wallenberg.

[TURKEY AND THE NEAR EAST]

New Session of Turkish National Assembly

Precarious Position of Egyptian Prime Minister—The French Campaign in Syria—Propaganda in Persia for the Establishment of a Republic

By ALBERT HOWE LYBYER

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ON Oct. 23 President Mustapha Kemal Pasha of Turkey returned to Angora. The Assembly was expected to open its new session on that day, but the first meeting of consequence actually took place on Nov. 1, when the President made an address. On Nov. 12, after a statement of policy by the Prime Minister Ismet Pasha, a vote of confidence was given him by a vote of 159 against 21.

Shortly before the meeting of the Assembly a special election was held to fill two vacancies in Constantinople. During the election a petition was circulated among the secondary electors demanding the sus-

pension of certain other Deputies because they had "failed to defend the rights of the people." These were General Refet Pasha, Captain Hussein Rauf Bey, General Kiazim Karabekir Pasha, Dr. Adnan Bey and Ismail Jambolat Bey. The first two have served as Prime Ministers. The second, after a distinguished military career, endeavored to organize an Opposition party. Dr. Adnan Bey long acted as political agent of the Assembly in Constantinople. The last named was formerly a leader in the Committee of Union and Progress. It was considered in Constantinople that this procedure, although having

no constitutional foundation, had operated as a suspension of the Deputies named from their duties at Angora, whether they might choose to resign or not.

A meeting of the Popular Party, which controls the Assembly, decided to prolong for six months the mandate of the Tribunal of Independence, under which it has the widest powers to arrest, imprison, try and, if convicted, execute persons accused of attempts against the existing form of government. The meeting also voted to prolong for a year the state of martial law in the eastern provinces. It was believed that this decision was taken not only in consequence of the Kurdish revolt of last Winter, but also because of the possibility of military action in connection with the Mosul question.

The budget prepared for presentation to the Assembly called for expenditures to the amount of \$135,000,000 as against estimated receipts of \$126,000,000. The first estimate amounts to a 50 per cent. increase over expenditures in the budget of last year. Of these the largest items are about \$42,000,000 for national defense, \$16,000,000 for the Ministry of Finance and \$15,000,000 for Public Works. About \$4,000,000 is allotted for education. The receipts can be expected to approach the expenditures only by a large increase in taxation. The income tax will be augmented, an inheritance tax will be imposed, heavy consumption taxes will be laid on alcoholic liquors and foodstuffs and sugar will become a Government monopoly, with a tax of about 6 cents per pound.

The Greeks of Turkey, at a meeting held on Nov. 27 in Constantinople, decided to renounce the rights given them under the Treaty of Lausanne as a minority population, relying upon protection through the adoption by the Turkish Government of the Swiss legal code. The order that Turks shall in the future wear hats has met with considerable opposition, leading sometimes to tragic results. Forty rioters are reported to have been arrested at Marash for parading and shouting: "We don't want hats!" It was further stated that a citizen of a village near Sivas wrote an attack on the wearing of hats and placarded it on walls, and that he was arrested, tried and hanged by sentence of the local court.

The Association of Turkish Women applied for permission to give weekly lectures in mosques on subjects such as the Turkish Revolution, the Position of Turkish Women, the Bringing Up of Children and the Management of Households. The association also demanded that the Prefecture of Constantinople should appoint women censors of moving-picture films in the interest of public morals. The Government placed with an English firm an order for 110,000,000 postage stamps of seventeen different values and five different designs. Among the designs are the head of the President, one of the forts of Angora, and an allegorical picture of a wolf standing beside a workman who is resting his hammer on an anvil. The Government issued regulations according to which foreign submarines were forbidden to use Turkish territorial waters, either on the surface or submerged. These regulations cannot forbid submarines to pass through the Straits, because of treaty stipulations.

Honorable G. Bie Ravndal, Consul General at Constantinople since 1911, has been transferred to Zurich. He left Constantinople on Oct. 5. Judge Ravndal first served in the Near East in 1898, when he was appointed Consul at Beirut. During his term of service at Constantinople he helped organize the American Chamber of Commerce for the Levant, which has published monthly since that time the *Levant Trade Review*. Through his suggestions and efforts an office was opened in New York for the "Federated American Chambers of Commerce of the Near East." He also helped found an American Men's Luncheon Club, the Constantinople Chapter of the American Red Cross, the American Hospital of Constantinople, and the Bosphorous Golf Club. His successor will be Consul General Nathaniel Baker Stuart, transferred from Tokio.

At the end of October trains were able to proceed 125 miles eastward from Angora. Rails have been laid from the other end of the line at Samsun for a distance of fifteen miles, while the grading had proceeded beyond Amasia. Plans are being prepared for building a line from Konia to Adalia and another from Eregli to Angora. The latter line would handle the coal of Eregli (or Heraclea) and the timber of large

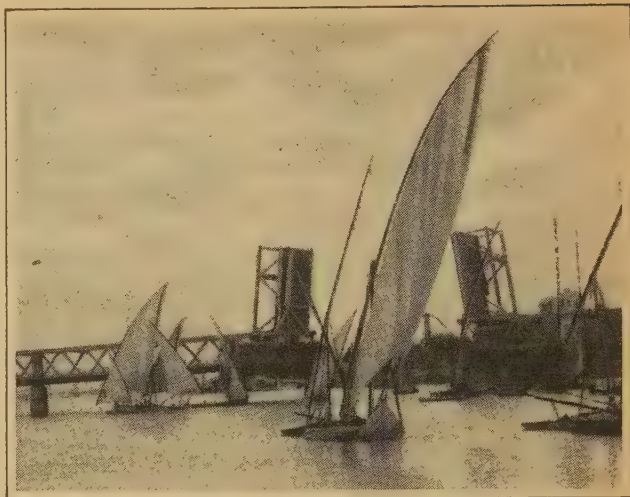
forests along the way, which are now inaccessible. The Turkish Government purchased railway material during 1924 to the value of about \$5,000,000, including twenty-five heavy and fifteen light freight locomotives, fifteen all-steel coaches, rails, metal sleepers, and so forth. Most of this material was bought in Germany.

Among plans for industrial development which the Government proposes to assist are sugar and match factories and the manufacture of hats. An agreement is said to have been made with the German "Junkers" Aviation Company for the transportation of copper from the mines at Argana to Western Europe by air. The metal is worth only about 2½ cents per pound at the mine. A French company has contracted to repair the radio station at Constantinople by June 12, 1926, and to establish a new station at Angora within the following six months.

The Near East college opened in September and October with a maximum enrolment. Robert College registered 650 students and Constantinople Woman's College 408. One-third of the students are Turks and one-sixth are Bulgarians. Among the Turkish students are the brother of the Prime Minister and daughters of the Governors of Constantinople and Smyrna. The Turkish Government is supporting twenty-five students in the Engineering School of Robert College. Two hundred and sixty-seven students, almost all Turks, are attending the International College at Smyrna. The Department of Education is seeking forty foreign teachers, and asked Admiral Bristol, the American High Commissioner, to find six Americans to teach in Turkish schools.

Egypt

THE Prime Minister, Ziwar Pasha, returned to Egypt on Nov. 9 after an absence of about five months. He found the political situation difficult, especially



Native boats on the Nile

because of the fact that the Liberal Constitutional and Nationalist parties had joined with the Wafd or party of Zaghlul Pasha in bitter opposition to the Government. Ten days before his arrival a "law of associations" had been published requiring all political organizations to declare their membership and places of meeting within thirty days, under penalty of immediate dissolution. The law was given to the press without being made effective by publication in the *Journal Officiel*. The proposal was believed to intend the forcible suppression of all parties opposed to the Government.

The reaction of the Opposition took effect in a proposal to call together on Nov. 21 the members of the last elected Parliament, which had been dissolved by the Prime Minister immediately after its election last March. The Government forbade such a meeting as illegal. It, nevertheless, was held in defiance of the police, and Zaghlul Pasha was elected President of the Chamber. It was further proposed to hold future meetings, with the object of bringing Egypt back to the Constitutional path.

Meanwhile, the Prime Minister had proposed a reorganization of the Cabinet. Nashaat Pasha, Director of the Royal Cabinet, objected to these changes, and prevailed upon the Prime Minister to postpone making them. In consequence the press attacked the Government with greater

violence than ever and charged it with being completely subservient to Nashaat Pasha, who, it was declared, ought to be treated as an obscure official in the palace. They had lately received ammunition in the publication of a secret order according to which Mayors and provincial officials were urged to use their position more vigorously in support of the Ittehad Party, which alone supports the Government. "Once again, as a year ago, the storm centre is Nashaat Pasha, who last year was saved from a crashing fall by the murder of the Sirdar, resulting in Zaghlul's going into the wilderness instead of Nashaat's doing so."

The Prime Minister's position is distinctly precarious. The picketing of Zaghlul's house by soldiers has only brought that aged statesman once more prominently before the public eye. If the tacit British opposition to Zaghlul, which appears to be the permissive condition under which Ziwar Pasha has disregarded the Constitution, should be withdrawn, indications are that Zaghlul would be the choice of the country as its active leader.

It appears that the long-pending question as regards the Western frontier of Egypt has finally been settled. by an agreement between Egyptian and Italian delegates, according to which the oasis of Jara-bub (or Jaghhub) will become definitely Italian, while Egypt will receive some compensation in the neighborhood of Sollum.

Arabia

SIR GILBERT CLAYTON recently visited the Hedjaz to discuss with Sultan Ibn Saud the question of the boundaries between the Kingdom of Nejd and Transjordan. The particular question was whether it should be arranged that Nejd and Syria meet in the middle of the Syrian desert or that Transjordan and Iraq should so meet. The Sultan contended for the first scheme, because some tribes subject to him are accustomed to wander to Syria during the Summer and trade in Damascus. No definite settlement of the question was reported.

The English diplomat's visit gave rise to rumors that he had negotiated a treaty with the Sultan, according to which Ibn Saud would evacuate Mecca upon the pay-

ment of \$1,000,000, which would be used for the development of his army. At about the same time it was announced that the Imam Yahya of Yemen had moved a considerable army as near to Mecca as possible, and had called upon Sultan Ibn Saud and King Ali to accept his mediation toward peace, threatening that if one agreed and the other did not, he would join his forces with those of the former and impose a settlement upon the latter.

Syria

THE newly appointed High Commissioner, Senator Henri de Jouvenel, announced before departing from France that he had consulted the leaders of all French parties before accepting his commission. He said in part:

I go to Syria to make peace and organize the mandate and I carry to the Syrians the collaboration of France, which is not negligible. I will consider that a great day on which France can turn to the League of Nations and say: "I have organized liberty in Syria; at present she can govern herself alone." Meanwhile it is necessary to re-establish quiet. France cannot declare herself incapable of fulfilling the mission which she has received, and cannot be defeated.

Senator de Jouvenel crossed to England and held an interview with Foreign Secretary Austen Chamberlain. It was reported that an agreement was reached upon a common policy as regards the mandated territories held by England and France in Western Asia. The new High Commissioner then proceeded to Syria, where he arrived, having been delayed by storms, on Dec. 2.

Meanwhile active hostilities had continued between French troops, frequently augmented by detachments arriving from Morocco and France, and the Druses, increased by Arabs from the desert and Syrians desirous of complete independence. It was announced at Beirut on Dec. 5, that French forces had defeated the rebels outside South Lebanon, and that Lebanon was now completely free of insurgents. In the first part of November considerable alarm at Beirut led to the bringing of two American destroyers to that port. The city remained quiet, however, and after the arrival of the new High Commissioners the destroyers were withdrawn. The Druse army, if its loose organization deserves that

name, penetrated westward south of Damascus, established headquarters at Hasbeyya, and threatened advance in the direction of Sidon. It was led by Zeid al Atrash, brother of Sultan al Atrash, Chief of the Druses, who declared that the war was in no sense a religious one, but a struggle for the national independence of Syria. He declared that he had no quarrel with Christians, and took measures to bear out this claim by punishing those of his followers who injured Christians and by protecting Christian women and children.

Certain correspondents asserted that the French authorities had endeavored to make the war a religious one by enlisting Christians to fight the Druses and by giving arms to the Christian population and withholding arms from Moslems. The unwisdom of such a policy is apparent. One reason alleged by Moslems in 1919 against a French mandate was the belief that the French would favor Christians at the expense of Moslems. A few months ago the English were in bad odor with Moslems in Iraq, Palestine and Egypt, while the French were at peace with Moslems everywhere. The situation is quiet in the British areas, while the French have apparently succeeded the British in the rôle of attacking Islam.

A large section of French opinion endeavors to place the whole blame for the trouble in Syria on General Sarrail. His discourtesy toward the Druses was certainly a factor in their rebellion. At the same time it must not be forgotten that the Syrians declared themselves in 1919 in large majority strongly opposed to a French mandate over them. Their quietness since may well be interpreted as the resignation of an Oriental people in the face of circumstances too strong for them. They were perhaps no better satisfied under General Gouraud and General Weygand, but they feared and respected these men and had no immediate grievance against them. There is evidence that plans have been in preparation for some time looking to general action against the French either by craft or the appeal to arms. The Druse revolt led to the co-operation of other groups in Syria, whose preparations were far from complete, and who therefore failed to act very effectively.

The Druses at Hasbeyya were threatened in the middle of November by an attempt of the French to surround them by troops moving from Jezzin and Rayak. The Druses made a fierce attempt to capture Rasbeyya, but were prevented by the arrival in the nick of time of a relieving force. Meanwhile a number of bands, some five or six, operated in the neighborhood of Damascus. That city found 3,000 rifles for delivery to the French and were thereupon excused from the payment of a cash indemnity. The Druse bands acted so near the city that renewed bombardment was feared by the inhabitants. Meantime French troops, moving along the railway, approached Sueida, the principal town of the Druse Mountain. There were troubles from time to time near Hama. Swiftly-moving raiders damaged the railways at different points. Many thousands of refugees were added to those encamped near Beirut and Tripoli.

The transdesert automobile service was reported to have been functioning irregularly through Tripoli, Homs and Palmyra. The Nairn Transportation Company had been operating from Jerusalem through Amman to Rutba Wells and thence to Bagdad. On this route armored cars had been escorting the convoys of automobiles.

The American University of Beirut had enrolled 1,217 students, including 378 Syrians, 198 Palestinians, 190 Iraqis, 155 Armenians, 115 Egyptians and 94 Persians. The students from Mesopotamia and Persia mostly arrived at one time in a convoy of about fifty automobiles. About half of the students are Christians, drawn from many sects. The Crown Prince of Iraq, the twelve-year-old son of King Feisal, is enrolled in the preparatory school.

Persia

ELECTIONS for the new Parliament were held during November. They proceeded quietly. The American Chargé d'Affaires was authorized on Nov. 6 to recognize the Provisional Government in Persia on the understanding that all international agreements between the United States and Persia would be scrupulously observed by the new régime.

Some opinions were expressed in favor

of adopting a republican form of government with Riza Khan as President. Russian agents were said to be working in this direction. "King Pahlavi" was said to favor a hereditary monarchy. The deposed Shah declared on Nov. 8 in Paris that the recent coup d'état, carried through by force, infringed sacred laws and would bring great calamities to Persia. He protested strongly against it and stated that he would consider all acts of the new Government as of no effect. "I reserve all my rights and those of my dynasty to the Crown of Persia, which I hold by the fundamental laws of the Constitution."

Dr. Millspaugh addressed the Persia-America Society on Nov. 15, discussing

his recent visit to America. He expressed confidence "that capital would be forthcoming for any sound business proposition, provided a stable Government and properly balanced budget would be assured."

Iraq

IT was reported that a plan was being carried out according to which the Iraq Army of 8,000 men would be built up to 20,000 in sections commanded by British officers. Major Gen. A. C. Daly was in charge of the reorganization, under the supreme command of King Feisal. The King had lately returned to Iraq, rested and refreshed by his visit to Western Europe.

[THE FAR EAST]

Progress of Peking Tariff Conference

*Foreign Powers' Acceptance of Chinese Customs Autonomy—
Japanese Labor Dissensions—Death of Siamese Monarch*

By QUINCY WRIGHT

Professor of History, University of Chicago, and

HAROLD SCOTT QUIGLEY

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WITH the Tariff Conference in session at Peking the Chinese Minister to the United States, Dr. Alfred Sze, expressed in a public address the aspirations of his country for treatment "upon a basis of full equality and reciprocity," which he asserted to be embodied in "a public opinion of a nationwide character * * * which each day is growing stronger and stronger" and which "already * * * is united with regard to the relations which China should have with the other sovereign powers." And Dr. Wang Chung-hui, a Deputy Judge of the Permanent Court of International Justice and principal Chinese member of the Commission on Extraterritoriality, declared that China would demand the very early, if not immediate, abolition of extraterritoriality when the commission was convened, and that if the treaty powers did not act quickly the Chinese Govern-

ment would be compelled by national sentiment to abrogate their rights.

At the Tariff Conference considerable progress was reported. Referring to the item in the proposals of the Chinese delegation that ordinary tariffs should be increased by 5 per cent. rather than the 2½ per cent. which was authorized by the Washington Conference, Mr. Yoshizawa, for Japan, stated that the immediate enforcement of the higher rate would seriously disturb the trade relations between China and other countries, would vitally affect the industry and commerce of Japan and would involve the placing of a burden upon the Chinese people themselves. The Japanese plan contained two alternative proposals: (1) That China should enter into separate treaties as to tariffs on certain articles concurrently with the establishment of general tariff autonomy, or (2) that a graduated tariff

should be established in a manner generally consistent with the treaties of 1902 and 1903 between China and other powers. A preference was indicated by Mr. Yoshizawa for the former alternative. The special treaties therein suggested were to run for a prescribed period and were to come into effect simultaneously with the tariff law—i. e., within three years. The Japanese delegation also brought forward proposals respecting the unsecured debts, which were: (1) That the debts should be funded and should include both internal and external obligations; (2) that the funding should be accomplished by the issuance of consolidation bonds of the required amount secured upon the customs revenue and distributed among the creditors in lieu of their original loans; (3) that the terms of the funding should be as fair and generous to China as possible. Japan was prepared to suggest in case of necessity a moratorium on the service of interest and principal for the interim period of three years and the placing of the funds at the disposal of the Chinese Government.

Thus three plans were before the conference, those of China, of the United States (both outlined in the December CURRENT HISTORY) and of Japan. The Chinese plan was distinctive for its proposals of a 5 per cent. surtax on ordinary imports and of 30 per cent. and 20 per cent. surtaxes on A and B grade luxuries respectively. Both the American and the Japanese plans embodied the rates authorized by the Washington Conference. They differed on the point of whether China should be conceded complete or qualified autonomy in the determination of rates, the American plan incorporating the former, the Japanese the latter principle. Reports did not indicate the attitude of the Japanese Government on the point of administration of the Chinese customs service.

It became known that the non-appearance in the conference agenda of the Washington Conference item regarding a Board of Reference for Far Eastern Questions was due to the refusal of the Chinese Government, supported, apparently, by the other delegations, with the exception of the British, to include it, on the ground that

such a board would tend to prolong foreign control over China.

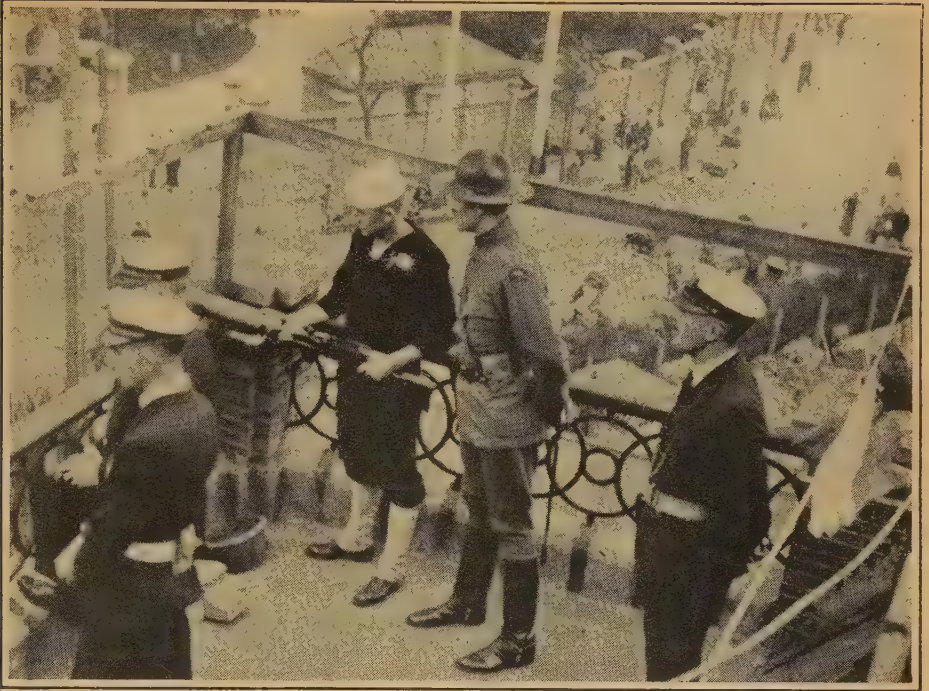
Outstanding among the results of the conference as far as reported was the unanimous and unconditional accession of the foreign delegations to the first Chinese proposition—tariff autonomy beginning Jan. 1, 1929. China agreed to abolish likin (provincial transit duties), abolition to be effective upon the same date. Warm discussion preceded the agreement of the foreign States to remove the condition of likin abolition from their acceptance of China's proposal. The success of China's stand appeared to evidence realization by the powers of the difficulties with which the Chinese Government was confronted in meeting the criticism of provincial authorities and gentry, jealous of provincial rights. The following declarations were agreed upon:

The contracting powers, other than China, hereby recognize China's right to enjoy tariff autonomy; they agree to remove the tariff restrictions which are contained in the existing treaties between themselves respectively and China and consent to the going into effect of the Chinese National Tariff law on Jan. 1, 1929.

The Government of the Republic of China declares that the likin shall be abolished simultaneously with enforcement of the tariff law, and further declares that abolition of the likin shall be effectively carried out by the first day of the first month of the eighteenth year of the republic (Jan. 1, 1929).

Committee No. 2 on "Provisional Measures to be taken during the interim period" resolved itself into a subcommittee on the purposes for which the proceeds of the surtaxes were to be devoted. It appointed two technical committees, one on likin and another on other purposes. The "purposes" upon the agenda of Committee No. 2 included: (1) compensation to the provinces in lieu of likin; (2) consolidation of debts; (3) allotment of funds for constructive undertakings; (4) administrative expenses of the national Government.

The new civil war continued with an increase of skirmishing and bloodshed but without any considerable engagement taking place. The large army of Governor Yueh Wei-chun of Honan took over the task of expelling the forces of Marshal Chang Tso-lin from Kiangsu, which it accomplished easily. Manchurian units



Wide World Photo

American machine gun held in readiness at a point of vantage during the recent troubles in Shanghai

remained in Shantung, however, where the continued allegiance of the Governor, Chang Tsung-chang, to Chang Tso-lin was uncertain. Another force drove Chang's men out of Paotingfu, the capital of Chihli. While contradictory reports were being circulated to the effect, on the one hand, that Marshal Chang was enveloping Peking and, on the other, that he had ordered his whole force to fall back into Manchuria, it became known that one of his most trusted Generals, Kuo Sung-lien, had revolted and that a very large proportion of his troops had remained with General Kuo. The railway line between Peking and Mukden was broken north of Tientsin. General Kuo secured control of Shanhai-kuan, the gateway into Manchuria. Reports were current that Kuo had defeated Chang in battle and that the latter had declared his intention of leaving Mukden and retiring to private life. Thus in a twinkling the "Manchurian Dictator" was apparently reduced to a status of insignificance at Peking and placed in great danger of the loss of his long-held control of

Manchuria. And as usual in such instances the reason for the defection of his supporters was unknown, but it was generally mooted that the familiar combination of ambition and bribery had been largely influential, in other words, that General Kuo had been bought over. Following news of Chang's defeat came authoritative reports on Dec. 9 that Japan, fearing a severe financial loss to its nationals in Mukden if Chang were completely overthrown, and the local paper currency repudiated, had decided to extend substantial monetary aid to that General.

General Feng Yu-hsiang, the "Christian General," thus became the principal power behind the Peking Government. A number of Ministers resigned, but the Provisional Chief Executive, Tuan Ch'i-jui, did not leave the capital, whether for his own or other reasons was not clear. The Tariff Conference was not affected by the removal of Chang Tso-lin's influence, though it was felt that the changed situation might lessen somewhat the importance of Japan's proposals. Dr. C. T. Wang, the principal

Chinese delegate, was known to be on cordial terms with General Feng and it was presumed that the latter would be unlikely to disturb Dr. Wang's work so long as it continued successful. It was also suggested in certain quarters that Feng had had closer contact with Western ideas than either Chang Tso-lin or Wu Pei-fu, and that while he was regarded as an aggressive exponent of China's rights-recovery movement and as friendly to Soviet Russia, he was believed to possess political acumen and personal ambition. Chinese papers declared that Feng would attempt to bring all factions together by forming a directory of their leaders for the Government of the country. What relationship would develop between Feng and Wu was a much-considered topic, the general opinion appearing to be that neither of the two men would be able to reconcile himself to the predominance of the other. In connection with the military developments Japan dispatched destroyers to Chinwangtao in Northern Chihli and to Tsingtao, Shantung, while an American destroyer was sent to Shanghai.

A reflection of the release of Peking from the control of Chang Tso-lin was observed in the demonstrations of radical members of the Kuomintang and students affiliated with them who demanded the resignation of the Government and the unilateral cancellation of foreign treaty rights. These groups expressed great apprehension lest an attempt should be made by the conference to earmark the surtax revenues for the security of such unsecured borrowings as the Nishihara loans, which they declared would involve the failure of the negotiations, and they demanded the abolition of foreign supervision of the customs service and a general clean-up of special foreign rights by unilateral action. Homes of officials were partially destroyed. The troops and police had the city under control.

Jan. 15 was set as the date for the convening of the Citizens Conference, elections for which are proceeding. The conference was decided upon some months ago as the proper agency for the adoption of a new Constitution.

Negotiations at Moscow between Russia, China and Japan, looking toward the establishment of through passenger and

freight service between Russia and the Pacific via the Chinese Eastern Railway failed of success when the Chinese Government, presumably on the insistence of Marshal Chang Tso-lin, through whose territory the Chinese Eastern runs, declined to accept the scheme which had been devised.

Control of the City of Canton by the radical element of the Kuomintang continued and the steady extension of its military grasp upon Kwangtung Province were reported. General Ch'en Ch'ung-ming was forced back into Fukien, which feared invasion by the Cantonese. Overtures toward a settlement of the continuing anti-British boycott at Canton were initiated at Hongkong by the appointment of four delegates by the general Chamber of Commerce.

Japan

AMBASSADOR McVEAGH was received in audience by the Prince Regent and presented his credentials.

A daughter was born to the Princess Regent on Dec. 6 at Akasaka Palace, Tokyo.

The new budget was decided upon by the Cabinet. It provided for an expenditure of \$1,398,000,000, of which only \$15,000,000 is assigned for new naval construction. The increase in the total over the budget of the previous year is \$74,000,000, with new items for the subsidizing of Japanese schools in other countries and for the encouragement of emigration.

Against the advice of the general staff of the army, the Cabinet decided not to send additional troops to Manchuria. Baron Shidehara, the Foreign Minister, stated that Japan would take no part in the Chinese trouble beyond action to protect the lives and property of her citizens.

The Japanese General Federation of Labor withdrew from the movement to organize a proletarian party, after a dispute between radicals and moderates within the Federation. It was regarded as probable that the two factions would organize separate political parties, but the Government suppressed the proletarian party as an organization of communistic tendencies.

The figures of the census, which was completed on Oct. 1, gave the population

of Japan proper as 59,736,764, with a majority of males. The increase over the last census, taken five years ago, is 4,000,000.

The Osaka Court of Appeals handed down a decision invalidating the elections for the House of Representatives held in Kobe last year, on the ground of corrupt and illegal practices.

The Department of Justice was reported to be drafting a bill for the control of thugs, who exist in bands and may be employed by political or other agents for purposes of intimidation. Some of these groups assume the guise of patriotic societies.

The Japanese proposals to the American Government regarding the wireless problem in China were reported as having been regarded by the latter as involving too great a degree of control over China and as an unacceptable move to abrogate the rights of the Federal Telegraph Company.

No sooner had it been reported that Japan was intending next Spring to begin the building of two new branches of the South Manchurian Railway, one a fifty-mile link in the projected Taonan-Jehol line, the other a 135-mile extension of the

Changchun-Kirin line, than contradictory cables were published to the effect that both the Peking and the Mukden Governments had declined to authorize these extensions.

Siam

RAMA VI, King of Siam, died on Nov. 26. In the absence of a direct heir the late King's brother, Prince Praja Dhipok, succeeded to the throne. A few weeks before his death, King Rama had divorced his Queen and raised a concubine to the throne, in the hope that the child she was awaiting would prove to be a son. The child, a daughter, was born two days before the King's death.

The new monarch, who was born on Nov. 8, 1893, was sent early to England for his studies. He was educated at Eton and passed into the Royal Military Academy at Woolwich in January, 1912, passing out as a Lieutenant, Royal Horse Artillery, in 1914. He returned to Siam in 1915, but recently made another prolonged stay in England and in France for the completion of his military training, returning to Siam in 1924 by way of the United States.

[INTERNATIONAL EVENTS]

Signing of the Locarno Treaties

*Mosul Controversy—Preparations for Disarmament Conference—
America's Policy to Nations Owing War Debts*

RATIFICATION of the Locarno Treaties was voted by the British House of Commons on Nov. 18, with a Government majority of 362 in a total of 375. The German Reichsrat approved the ratification of the treaties and the entry of Germany into the League of Nations on Nov. 21, and similar action was taken by the Reichstag on Nov. 27, the vote in the latter body being 291 to 174. An act giving effect to the treaties was confirmed by the Reichsrat the following day and signed by President von Hindenburg. On the first vote in the Reichsrat four States, Mecklenburg, East Prussia, Pomerania and Lower

Silesia, voted in the negative; on the second vote Bavaria and Brandenburg were added to the opposition. The ratification of the agreements by the French Parliament had not been given when this review was prepared, the change of Ministry and the financial crisis having delayed formal action.

The formal signature of the treaties by representatives of the seven Governments concerned took place at the Foreign Office, London, on Dec. 1, in the presence of a distinguished company of officials and guests and a battalion of moving-picture cameras. On the same day the British

troops began quietly their withdrawal from Cologne.

In connection with the signing of the treaties, informal negotiations were reported to have been begun for the removal of the remaining inequalities to which Germany is still subjected by the Treaty of Versailles. The principal German demands included a shortening of the periods of five and ten years of occupation of the Coblenz and Mayence bridgeheads, the immediate termination of Allied military control and the substitution of such League control as is applicable to all members of the League, "with the clear specification that the control is only for the purpose of promoting general European disarmament," and equal treatment of all European nations in the matter of aviation.

Seymour Parker Gilbert, Agent General for Reparations Payments, made public at Berlin on Dec. 13, his report on the first year's operation of the Dawes Plan. In his report, Mr. Gilbert stated that Germany was on the way to economic recovery, that the German budget had been balanced and the national currency had been stabilized.

The thirty-seventh session of the Council of the League of Nations, which began at Geneva on Dec. 7, had before it as its two most important items of business the Mosul controversy and the question of disarmament.

MOSUL CONTROVERSY

In an advisory opinion rendered by the Permanent Court of International Justice, in response to a request from the Council of the League at its September meeting for a definition of its powers under the Lausanne treaty, the Court held that the "decision to be taken" in virtue of Article III, paragraph 2, of the treaty "will be binding on the parties" to the Mosul controversy, "and will constitute a definite determination of the frontier between Turkey and Iraq." It was further held that the decision in question "must be taken by unanimous vote, representatives of the parties taking part in the voting being not counted in ascertaining whether there is unanimity."

On Dec. 3, following a four-hour discussion participated in by the British and Turkish representatives, the Council voted unanimously to accept the opinion.

The report of the Laidoner Commission appointed to investigate the Mosul situation was read on Dec. 10. According to a cabled summary, no great importance appeared to be attached by the commission to the British and Turkish charges of hostile acts or depredations on either side of the Brussels line, the line itself being declared to be "of so fictitious a character and so easily crossed, while the tribes are so warlike and quarrelsome, that incidents are bound to occur until a frontier is definitely marked." The charges of deportation and ill treatment of Christians north of the line by the Turks were, however, sustained. "The question of the deportation of Christians," the report declared, "is infinitely more important than the other charges" because of its disturbing effect upon both Christian and Moslem populations south of the line. Tewfik Rushdi Bey, the head of the Turkish delegation, refused the invitation to be present at the reading of General Laidoner's report.

The League Council on Dec. 11 asked the Turkish representatives to appear the following day for the purpose of discussing the problem with a council of three—Foreign Minister Udden of Sweden, Quinones de Leton of Spain, and Guani of Uruguay. With this invitation went the intimation that, if the last effort to establish working relations with Turkey failed, the League Council would start drafting the decision it was empowered to give under Article III, paragraph 2, of the Lausanne treaty, as interpreted by the World Court.

DISARMAMENT CONFERENCE

The discussion of disarmament at the December meeting of the Council centred about the composition, procedure and scope of a special Preparatory Commission which, under a resolution of the Assembly, was to replace the existing Disarmament Commission of the League, and whose investigations should prepare the way for an international disarmament conference. It was voted on Dec. 8, in private session, that the Preparatory Commission should consist of nineteen members representing, in addition to the Council, Finland, Poland, Rumania, Yugoslavia, the Netherlands and Bulgaria, and that the United States, Russia and Germany should be in-

vited to send official representatives. The text of the invitation to the United States was approved at a secret session of the Council on Dec. 11. President Coolidge, in his annual message to Congress on Dec. 7, had stated that "under Congressional sanction it would seem to be wise to participate in any conference of the great Powers for naval limitation of armament proposed upon such conditions that it would hold a fair promise of being effective."

In addition to inquiries into the nature and status of existing armaments, military, naval and air, including methods of recruiting and instruction, the Preparatory Commission was asked to report upon such questions as the difference between offensive and defensive armaments, the possibility of limiting armaments for war as well as for peace and of distinguishing between military and commercial airplanes, the value of commercial ships as a part of the total naval armament, and the practicability of regional disarmament, where regional security has been assured, as compared with general disarmament.

A radical difference of opinion developed between Great Britain and France over the question of the economic or financial aid to be given to a member State that was attacked. France, with which were associated most of the other nations represented on the Council, was understood to desire a specific statement regarding such aid, while Great Britain thought it better to restrict the inquiry of the Preparatory Commission to "visible" armaments. It was announced on Dec. 9 that an accord had been reached by which the obligations of the member States in the matter should be "suggested," at the same time that account should be taken of the economic situation of countries in studying "visible" armaments.

The adoption in public session on Dec. 9 of a report on racial minorities, prepared by Demello Franco of Brazil, harmonized with the policy hitherto followed by the League in dealing with that question. The report pointed out that "it was not the intention of the authors of the minorities treaties to create and maintain within certain States a mass of inhabitants who consider themselves perpetual strangers to the general organization of the nation. They

wished, on the contrary, to obtain for these people a status of legal protection, to insure in all its forms the inviolability of persons, and prepare little by little the necessary conditions for the establishment of complete national unity."

A protest of the Albanian Minister of Foreign Affairs against the reported decision of the Mixed Commission in charge of the exchange of Greek and Turkish populations to exchange 5,000 Albanians of Chameria for an equal number of Greeks from Constantinople was lodged with the Secretary General of the League on Nov. 20. The President of the commission denied that any exchange was contemplated that would affect Moslems of undisputed Albanian origin.

THE GRECO-BULGAR DISPUTE

The report of the commission appointed by the Council of the League of Nations to investigate the recent fighting on the Greco-Bulgar frontier was made public on Dec. 3. The commission recommended the payment by Greece of an indemnity of 20,000,000 leva (about \$146,000) on account of material losses and damages suffered by Bulgarian civilians, and 10,000,000 leva in reparations for the killing or wounding of soldiers and other moral or material damages. Further recommendations included the establishment on each side of the frontier of guards under neutral officers; the creation, if necessary, of a Conciliation Commission representing the two Governments, with a chairman representing either a neutral or the League, and the grant of special facilities for communication by telegraph or wireless with Governments or the League in case of threatened war. The speedy exchange of the Greco-Bulgar minority populations, already provided for by convention, with compensation by Greece to former Bulgarian residents for the loss of property turned over to Greek refugees from Turkey, was also proposed.

AMERICAN WAR DEBT POLICY

The first unqualified statement concerning the policy adopted by the United States Government to hasten the settlement of the war-time debts of foreign nations was made in the annual report of the Secretary of

the Treasury, Andrew Mellon, which was transmitted to Congress on Dec. 10. In 1925, Mr. Mellon said, it was decided after much consideration that it was contrary to the best interest of the United States to permit foreign Governments which refused to adjust, or make a reasonable effort to adjust, their debts to the United States to finance any portion of their requirements in this country. States, municipalities and private enterprises within the country concerned were included in this prohibition. Mr. Mellon added:

Bankers consulting the State Department were notified that the Government objected to such financing. While the United States was loath to exert pressure by this means on any foreign Government to settle indebtedness, and while this country has every desire to see its surplus resources at work in the economic reconstruction and development of countries abroad, national interest demands that our resources be not permitted to flow into countries which do not honor their obligations to the United States and through the United States to their citizens.

An agreement for the settlement of the Rumanian war debt to the United States, amounting as of June 15, 1925, to \$44,590,000 on account of both principal and interest, was reached at Washington on Dec. 1. The agreement, which follows closely the lines of the British debt settlement, calls for the payment of about \$107,000,000 over sixty-two years, with small payments and interest at 3 per cent. for the first ten years and $3\frac{1}{2}$ per cent. interest for the remainder of the period. On Nov. 11 it was announced from Bucharest that, after leaving Washington the Rumanian debt commission would visit Paris and Rome to carry on similar negotiations. The debt to France is about 1,000,000,000 francs and to Italy 100,000,000 lire.

The Italian Senate ratified the recent debt settlement with the United States on Dec. 8 and at the same time approved the arrangement made by Count Volpi, Finance Minister, for an American loan of \$100,000,000.

Ministerial changes in France have delayed further discussion of the French war debt settlement, but Secretary Mellon was informed on Nov. 30 by the French Ambassador of the desire of Louis Loucheur, the new Finance Minister, "to have the debt question settled as soon as

possible on a basis acceptable to both nations." It was announced that Senator Henry Berenger would shortly replace Ambassador Daeschner for the purpose of continuing the debt negotiations.

The appointment of delegates to negotiate a settlement of the war debt of Yugoslavia to the United States was announced at Belgrade on Dec. 6.

Following an announcement on Dec. 7 that the Mixed Claims Commission at Washington had liquidated the last of the claims of American citizens or corporations against Germany due to the sinking of the *Lusitania*, Secretary of the Treasury Mellon made public on Dec. 10 a proposal for a bond issue of \$250,000,000 for the immediate payment of the claims, and in satisfaction of such German claims as could not be met by the return of property seized or sold. The cost of the bond issue, it was stated, would be covered by the \$23,000,000 due annually to the United States from Germany on account of the expenses of the American Army of Occupation and other American claims.

In an opinion covering the adjustment of twenty-five cases involving property of the German Government which was seized by the United States during the World War, and which is now in the possession of the Alien Property Custodian, the United States Supreme Court on Dec. 14 held that German Government property was subject to seizure in the same manner as private property. Another important angle of the opinion was the ruling that the United States Government had no rights to priority over citizens in its claims against the seized German property.

The proposal of British trade unions for a conference with the trade unions of Russia, looking to the affiliation of the Russian unions with the international trade union movement without conditions, was rejected by the Council of the International Federation of Trade Unions at its meeting at Amsterdam on Dec. 5.

Twenty British claims against the United States for damages on account of the destruction of property in the Philippine Islands during and shortly after the Spanish-American War were dismissed on Nov. 20 by the British-American Arbitral Tribunal sitting at Washington.